WATERWORKS AND SEWAGE DISPOSAL COMPANIES

ANNUAL REPORT

OF

89-7005

MR. KENT S. BEILHARZ
SECRETARY/TREASURER
CHRISTI WATER SYSTEM, INC.
200 PERRY STREET
DEFIANCE OH 43512

Address — City — County — State — Zip Code

419-782-1040
Phone: (Area Code) Number

200 PERRY STREET, DEFIANCE, OH 43512
(Address of principal business office at end of year)

TO THE

PUBLIC UTILITIES COMMISSION OF OHIO

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FOR THE
YEAR ENDED DECEMBER 31, 2003

Name, title, address, e-mail address, telephone and fax numbers (including area code) of the person to be contacted concerning this report.

KENT BEILHARZ, 200 PERRY STREET, DEFIANCE, OH 43512 419-782-1040

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HISTORY

1. Date of organization. 2-1-82

2. Date when operations began.
2-1-82

3. Under the laws of what Government, State of Territory organized? If more than one, name all.
OHIO

4. If a consolidated or merged company, name all constituent and all merged companies.
NOT APPLICABLE

5. Date and authority for each consolidation and each merger.
NOT APPLICABLE

6. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual.
CORPORATION

7. If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization.
NOT APPLICABLE

8. Where are the books and records of the company kept?
200 PERRY STREET, DEFIANCE, OH

9. General description of territory served by respondent.
CHRISTI MEADOWS SUBDIVISION
TO THE CITY OF DEFIANCE, OH

10. Number of locations within Ohio.
ONE

IMPORTANT CHANGES DURING THE YEAR

Hereunder give particulars concerning the matters indicated below. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

   NONE

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

   NONE

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization.

   NONE

4. Changes in articles of incorporation: Give brief particulars of each change and date.

   NONE

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

   NONE

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 2003

SCHEDULE: 2

BOARD OF DIRECTORS

1. Give the names of each person who was a member of the Board of Directors at any time during the year.
2. Column (d) relates to Board meetings only.

Line No.	Name of Director and Address (City and State)	Served Continuously From	Term Expired or Current Term Will Expire	Number of Meetings Attended During Year
	(a)	(b)	(c)	(d)
1.	TERRY E. BEILHARZ	1/1-12/31/03	OCT 1,2004	ONE
2.	KENT S. BEILHARZ	1/1-12/31/03	OCT 1,2004	ONE
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

16.	Name of Chairman of the Board TERRY E. BEILHARZ
17.	Name of Secretary of Board KENT S. BEILHARZ
18.	Number of Meetings of Board during the year ONE
19.	Number of directors provided for by charter or by-laws, as amended to the end of the year ONE
20.	Number of directors required to constitute a quorum ONE

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
	UTILITY PLANT:				
101	Utility Plant in Service	17-22	93,257	93,257	0.00
102	Completed Constr. Not Classified				
103	Utility Plant in Process of Reclas.				
104	Utility Plant Leased to Others				
105	Property Held for Future Use				
106	Utility Plant Purchased or Sold				
107	Construction Work in Progress				
114 (108)	Utility Plant Acquisition Adjustm.				
	TOTAL UTILITY PLANT (101-114)		93,257	93,257	0.00
108-113, 115 (110)	Accumulated Provision for Depreciation and Amortization	23-30	31,140.	32,261	1121
	NET UTILITY PLANT (Total Utility Plant Less Acc. Dep. and Amortization)		62,117	60,996	(1121)
116 (109)	Other Utility Plant Adjustments				
	TOTAL PLANT (101-116)		62,117	60,996	(1121)
	OTHER PROPERTY AND INVESTMENTS:				
121	Nonutility Property		126,744	223,574	96,830
122	Accum. Provision for Deprec. and Amortization of Nonutility Plant		(1,114)	(1297)	(183)
123	Investments in Associated Companies				
124	Other Investments				
125-128	Special Funds				
	TOTAL OTHER PROPERTY AND INVESTMENTS (121-128)		125,630	222,277	96,647
	CURRENT AND ACCRUED ASSETS:				
131	Cash		12,580	8,418	(4162)
132	Interest Special Deposits				
133	Dividend Special Deposits				
134	Other Special Deposits				
135	Working Funds				
136 (132)	Temporary Cash Investments				
141	Notes Receivable				
142	Customer Accounts Receivable		7,998	6,366	(1632)
143	Other Accounts Receivable				
144	Accumulated Provision for Uncollectible Accounts-Cr.				
145	Notes Receiv. from Assoc. Companies				
146	Accts. Receiv. from Assoc. Companies				
151	Fuel Stock				
152	Fuel Stock Expense				
154	Plant Mtrls. and Operating Supplies				

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
217	Reacquired Capital Stock				
218	NonCorporate Proprietorship	16	NONE	NONE	NONE
	TOTAL EQUITY CAPITAL (201-218)		87,027	109,136	22,109
	LONG-TERM DEBT:				
221	Bonds	34	NONE	NONE	NONE
222	Reacquired Bonds	34	NONE	NONE	NONE
223	Advances from Associated Companies	34	NONE	NONE	NONE
224	Other Long-Term Debt	34	106,664	172,005	65,341
	TOTAL LONG TERM DEBT (221-224)		106,664	172,005	65,341
	CURRENT AND ACCRUED LIABILITIES:				
231	Notes Payable		4,467	6,220	1,753
232	Accounts Payable		4,784	3,604	(1,180)
233	Notes Payable to Assoc. Companies				
234	Accounts Payable to Assoc. Companies				
235	Customer Deposits		200	250	50
236	Taxes Accrued		5,183	6,842	1,659
237	Interest Accrued		0	0	0
238	Dividends Declared				
239	Matured Long-Term Debt				
240	Matured Interest				
241	Tax Collections Payable				
242 (238)	Misc. Current and Accrued Liabilities	37	NONE	NONE	NONE
	TOTAL CURRENT AND ACCRUED LIABILITIES (231-242)		14,634	16,916	2,282
	DEFERRED CREDITS:				
251	Unamortized Premium on Debt				
252	Customer Advances for Construct.				
253	Other Deferred Credits				
254	Other Regulatory Liabilities				
255	Accum. Deferred Invest. Tax Credits				
	TOTAL DEFERRED CREDITS (251-255)		NONE	NONE	NONE
	OPERATING RESERVES:				
261	Property Insurance Reserves				
262	Inquiries and Damages Reserves				
263	Pensions and Benefits Reserves				
265	Miscellaneous Operating Reserves				
	TOTAL OPERATING RESERVES (261-265)		NONE	NONE	NONE
271	CIAC				

SCHEDULE: 4A

NOTES TO BALANCE SHEET

ACCTS # 121 & 224 -
FARMLAND PURCHASED ADJACENT TO SUBDIVISION DURING 2003

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount (in dollars)
	INTEREST CHARGES:		
427	Interest on Long-Term Debt		8,243
428	Amortization of Debt Discount and Expense		
429	Amortization of Premium on Debt-Cr.		
430	Interest on Debt to Associated Companies		
431	Other Interest Expense		
	TOTAL INTEREST CHARGES (427-431)		8,243
	INCOME BEFORE EXTRAORDINARY ITEMS (400) Less (401-431)		(2,811)
	EXTRAORDINARY ITEMS:		
433	Extraordinary Income		
434	Extraordinary Deductions		37
409.3	Income Taxes, Extraordinary Items		
	TOTAL EXTRAORDINARY ITEMS (433- 409.3)		37
	NET INCOME (400) Less (401-409.3)		(2,848)

SCHEDULE: 6

STATEMENT OF RETAINED EARNINGS

Acct. No.	Account Title	Page No.	Amount (in dollars)
216	Unappropriated Retained Earnings (at beginning of period)	9	42,027
435	Balance Transferred from Income	14	(2,848)
436	Appropriations of Retained Earnings		
437	Dividends Declared-Preferred Stock		
438	Dividends Declared-Common Stock		
439	Adjustments to Retained Earnings		
216	Unappropriated Retained Earnings (at end of period)	9	40,043

Notes To Statement of Retained Earnings:

SCHEDULE: 7

PARTNERSHIP CAPITAL STATEMENT (1)

Acct. No.	Account Title	Page No.	Amount (in dollars)
218	Non Corporate Partnership (Beginning of Year)	10	
	Net Income (Loss For Year)	14	
	Partners' Capital Contributions		
	Partners' Drawings		
	Miscellaneous Credits		
	Miscellaneous Debits		
218	Total Partnership Capital (End of Year)	10	

(1) This statement should also be used by sole proprietors.

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 8A

UTILITY PLANT IN SERVICE-ACCOUNT 101
WATERWORKS UTILITIES
(in dollars)

Account (a)		Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
327	Hydraulic Pumping Equipment					
328	Other Pumping Equipment					
	TOTAL PUMPING PLANT (320-328)	NONE	NONE	NONE	NONE	NONE
	WATER TREATMENT PLANT:					
330	Land and Land Rights					
331	Structures and Improvements					
332	Water Treatment Equipment					
	TOTAL WATER TREATMENT PLANT (330-332)	NONE	NONE	NONE	NONE	NONE
	TRANSMISSION AND DISTRIBUTION PLANT:					
340	Land and Land Rights					
341	Structures and Improvements					
342	Distribution Reservoirs and Standpipes					
343	Transmission and Distribution Mains	88,570	NONE	NONE	NONE	88,570
344	Fire Mains					
345	Services	14,432	NONE	NONE	NONE	14,432
346	Meters	11,424	NONE	NONE	NONE	11,424
347	Meter Installations					
348	Hydrants	9,099	NONE	NONE	NONE	9,099
349	Other Transmission and Distribution Plant					
	TOTAL TRANSMISSION AND DISTRIBUTION PLANT (340-349)	123,525	NONE	NONE	NONE	123,525

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 8B

UTILITY PLANT IN SERVICE-ACCOUNT 101
SEWAGE DISPOSAL UTILITIES
(in dollars)

Account (a)			Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
Class A & B	Class C & D	INTANGIBLE PLANT:					
301	301	Organization					
302	302	Franchises and Consents					
303	303	Miscellaneous Intangible Plant					
		TOTAL INTANGIBLE PLANT (301-303)	NONE	NONE	NONE	NONE	NONE
	310	Land & Land Rights					
	311	Structures & Improvements					
		TOTAL LAND & STRUCTURES (310-311)	NONE	NONE	NONE	NONE	NONE
		COLLECTION PLANT:					
350		Land and Land Rights					
351		Structures and Improvements					
352	352	Collection Sewers					
352.1	352.1	Collection Sewers-Force					
352.2	352.2	Collection Sewers-Gravity					
352.3		Special Collecting Structures					
353	354	Services to Customers					
354	355	Flow Measuring Devices					
355	355	Flow Measuring Installations					
356	353	Other Collection Plant Facilities					
		TOTAL COLLECTION PLANT (350-356)	NONE	NONE	NONE	NONE	NONE

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 8B

UTILITY PLANT IN SERVICE-ACCOUNT 101
SEWAGE DISPOSAL UTILITIES
(in dollars)

Account (a)			Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
Class A & B	Class C & D	GENERAL PLANT:					
389		Land and Land Rights					
390		Structures and Improvements					
391	391	Office Furniture and Equipment					
392	392	Transportation Equipment					
393		Stores Equipment					
394		Tools, Shop and Garage Equipment					
395		Laboratory Equipment					
396		Power Operated Equipment					
397		Communications Equipment					
399	393	Other Tangible Property					
		TOTAL GENERAL PLANT (389-399)	NONE	NONE	NONE	NONE	NONE
		TOTAL SEWAGE DISPOSAL PLANT (370-399)	NONE	NONE	NONE	NONE	NONE
		TOTAL UTILITY PLANT IN SERVICE SEWAGE DISPOSAL (301-399)	93,257	NONE	NONE	NONE	93,257

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 9A **WATER**

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☒ Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Credit (h)	Other Addition or Deductions Debit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
	SOURCE OF SUPPLY PLANT:					
311	Structures and Improvements					
312	Collecting and Impounding Reservoirs					
313	Lake, River and Other Intakes					
314	Wells and Springs					
315	Infiltration and Galleries and Tunnels					
316	Supply Mains					
317	Other Water Source Plant					
	TOTAL SOURCE OF SUPPLY PLANT (311-317)	NONE	NONE	NONE	NONE	NONE
	PUMPING PLANT:					
321	Structures and Improvements					
322	Boiler Plant Equipment					
323	Other Power Production Equipment					
324	Steam Pumping Equipment					
325	Electric Pumping Equipment					
326	Diesel Pumping Equipment					
327	Hydraulic Pumping Equipment					
328	Other Pumping Equipment					
	TOTAL PUMPING PLANT (321-328)	NONE	NONE	NONE	NONE	NONE
	WATER TREATMENT PLANT:					
331	Structures and Improvements					
332	Water Treatment Equipment					
	TOTAL WATER TREATMENT PLANT (331-332)	NONE	NONE	NONE	NONE	NONE
	TRANSMISSION AND DISTRIBUTION PLANT:					
341	Structures and Improvements					
342	Distribution Reservoirs and Standpipes					
343	Transmission and Distribution Mains	NONE	NONE	NONE	NONE	27,971
344	Fire Mains					
345	Services	NONE	NONE	NONE	NONE	9,871
346	Meters	NONE	NONE	NONE	NONE	6,331

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.
2 Identify the source of these accrual rates (PUCO Case No. 85-859-WW-AIR). (If Accrual Rate changes during the year should be identified with effective date of the change).
3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 2003

SCHEDULE: 9A **WATER**

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)
(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☒ Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
347	Meter Installations					
348	Hydrants	NONE	NONE	NONE	NONE	3,776
349	Other Transmission & Distribution Plant					
	TOTAL TRANSMISSION AND DISTRIBUTION PLANT (341-349)	NONE	NONE	NONE	NONE	47,949
	GENERAL PLANT:					
390 (371)	Structures and Improvements					
391 (372)	Office Furniture and Equipment					
392 (373)	Transportation Equipment					
393	Stores Equipment					
394	Tools, Shop and Garage Equipment					
395	Laboratory Equipment					
396	Power Operated Equipment	NONE	NONE	NONE	NONE	1, 220
397	Communication Equipment					
398 (379)	Miscellaneous Equipment					
399 (390)	Other Tangible Property					
	TOTAL GENERAL PLANT (390-399)	NONE	NONE	NONE	NONE	1, 220
	OTHER UTILITY PLANT:					
111	Accum. Prov. for Amort. of Util. Plant in Serv.					
109 393	Accum. Prov. for Deprec. of Util. Plant Leased to Others					
112	Accum. Prov. for Amort. of Util. Plant Leased to Others					
110 394	Accum. Prov. for Deprec. of Prop. Held for Future Use					
113	Accum. Prov. for Amort. of Prop. Held of Future Use					
115 396	Accum. Prov. for Amort. of Util. Plant Acquis. Adjustments	NONE	NONE	NONE	NONE	(16,908)
	TOTAL OTHER UTILITY PLANT (111-115)	NONE	NONE	NONE	NONE	(16,908)
	TOTAL WATERWORKS (311-115)	NONE	NONE	NONE	NONE	32,261

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.
2 Identify the source of these accrual rates (PUCO Case No. 85-859-WW-AIR). (If Accrual Rate changes during the year should be identified with effective date of the change _____).
3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 9B

SEWAGE

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☒ Annually)

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
	311	Structures & Improvements					
		COLLECTION PLANT:					
351		Structures and Improvements					
352	352	Collection Sewers					
352.1	352.1	Collection Sewers-Force					
352.2	352.2	Collection Sewers-Gravity					
352.3		Special Collection Structures					
353	354	Services to Customers					
354	355	Flow Measuring Devices					
355	355	Flow Measuring Installations					
356	353	Other Collection Plant Facilities					
		TOTAL COLLECTION PLANT (351-356)	NONE	NONE	NONE	NONE	NONE
		PUMPING PLANT:					
361		Structures and Improvements					
362	362	Receiving Wells					
363	363	Electric Pumping Equipment					
364	363	Diesel Pumping Equipment					
365	363	Other Pumping Equipment					
		TOTAL PUMPING PLANT (361-365)	NONE	NONE	NONE	NONE	NONE
		TREATMENT AND DISPOSAL PLANT:					
371		Structures and Improvements					
372	373	Treatment and Disposal Equipment					
373	374	Plant Sewer					
374	375	Outfall Sewer Lines					
375	376	Other Treatment and Disposal Plant					
		TOTAL TREATMENT AND DISPOSAL PLANT (371-376)	NONE	NONE	NONE	NONE	NONE

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. 85-859-WW-AIR). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 9B **SEWAGE**

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 111 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(in dollars)
(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☒ Annually)

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
		GENERAL PLANT:					
390		Structures and Improvements					
391	391	Office Furniture and Equipment					
392	392	Transportation Equipment					
393		Stores Equipment					
394		Tools, Shop and Garage Equipment					
395		Laboratory Equipment					
396		Power Operated Equipment					
397		Communication Equipment					
399	393	Other Tangible Property					
		TOTAL GENERAL PLANT (390-399)	NONE	NONE	NONE	NONE	NONE
109		Accum. Prov. for Deprec. of Util. Plant Leased to Others					
110		Accum. Plant for Deprec. of Prop. Held for Future Use					
111		Accum. Prov. for Amort. of Util. Plant in Service					
112		Accum. Prov. for Amor. of Util. Plant Leased to Others					
113		Accum. Prov. for Amort. of Prop. Held for Future Use					
115		Accum. Prov. for Amort. of Util. Plant Acquis. Adjmts.					
		TOTAL SEWAGE DISPOSAL (109-115)	NONE	NONE	NONE	NONE	NONE
		TOTAL WATERWORKS & SEWAGE DISPOSAL (351-115)	NONE	NONE	NONE	NONE	32,261

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. 85-859-WW-AIR). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

SCHEDULE: 12

MISCELLANEOUS DEFERRED DEBITS - ACCOUNT 186 (183)
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
NONE				
TOTAL MISCELLANEOUS DEFERRED DEBITS	$ NONE	$NONE	$ NONE	$ NONE

SCHEDULE: 13

RESEARCH AND DEVELOPMENT EXPENDITURES - ACCOUNT 187
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
NONE				
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURES	NONE	$ NONE	$ NONE	$NONE $

Annual Report of CHRISTI WATER SYSTEM, INC. Year Ended December 31, 20 03

SCHEDULE: 15

LONG-TERM DEBT ACCOUNTS 221, 222, 223, & 224

1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.
2. In the remaining columns (b) - (i) respondent shall furnish the appropriate data.

Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
FARMERS & MERCHANTS STATE BANK	9/14/01	8/14/16	110,000	NONE	6.75	6.963	6220	60,016
SKY BANK	6/27/03	6/27/18	72,279	NONE	5.5	VARIABLE		70,597
			182,279	NONE			6220	130,613

SCHEDULE: 18

ACCUMULATED DEFERRED INCOME TAXES- LIBERALIZED DEPRECIATION - ACCOUNT 282 (in dollars)				
Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
NONE				
TOTAL ACCUM. DEF. INCOME TAXES-LIBERALIZED DEPRECIATION ACCT. 282	$ NONE	$ NONE	$ NONE	$ NONE

SCHEDULE: 19

ACCUMULATED DEFERRED INCOME TAXES - OTHER - ACCOUNT 283 (in dollars)				
Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
NONE				
TOTAL ACCUM. DEFERRED INCOME TAXES-OTHER ACCT. 283	$ NONE	$ NONE	$ NONE	$ NONE

SCHEDULE: 21

OPERATING REVENUE ACCOUNTS

Account No.	Account Title	Amount (in dollars)
	SALES OF WATER:	
460	Unmetered Sales to General Customers	
461	Metered Sales to General Customers	65,068
462	Private Fire Protection Service	
463	Public Fire Protection Service	
464	Other Sales to Public Authorities	
465	Sales to Irrigation Customers	
466	Sales for Resale	
467	Interdepartmental Sales	
	TOTAL SALES OF WATER (460-467)	65,068
	OTHER OPERATING REVENUES:	
470	Forfeited Discounts	
471	Miscellaneous Service Revenues	
472	Rents From Water Property	
473	Interdepartmental Rents	
474	Other Water Revenues	1,587
	TOTAL OTHER OPERATING REVENUES (470-474)	1,587
	TOTAL WATERWORKS OPERATING REVENUES (460-474)	66,655
	SEWAGE DISPOSAL REVENUES:	
521	Flat Rate Revenues-General Customers	
522	Measured Revenues-General Customers	
523	Revenues from Public Authorities	
524	Revenue from Other Systems	
525	Interdepartmental Revenues	
526	Miscellaneous Sewerage Revenues	
	TOTAL SEWAGE DISPOSAL REVENUES (521-526)	NONE
	OTHER OPERATING REVENUES:	
531	Sale of Sludge	
532	Customers' Forfeited Discounts	
533	Servicings of Customers Laterals	
534	Rents from Sewer Properties	
535	Interdepartmental Rents	
536	Miscellaneous Operating Revenues	
	TOTAL OTHER OPERATING REVENUES (531-536)	NONE
	TOTAL SEWAGE DISPOSAL OPERATING REVENUES (521-536)	NONE
	TOTAL OPERATING REVENUES (460-536)	66,655

SCHEDULE: 22A

OPERATING EXPENSE ACCOUNTS (CLASS A & B) Page 2 of 4		
Account No.	Account Title	Amount (in dollars)
	TRANSMISSION AND DISTRIBUTION EXPENSES:	
660	Operation Supervision and Engineering	
661	Storage Facilities Expense	
662	Transmission and Distribution Lines Expenses	
663	Meter Expenses	
664	Customer Installation Expenses	
665	Miscellaneous Expenses	
666	Rents	
670	Maintenance Supervision and Engineering	
671	Maintenance of Structures and Improvements	
672	Maintenance of Distribution Reservoirs and Standpipes	
673	Maintenance of Transmission and Distribution Mains	
674	Maintenance of Fire Mains	
675	Maintenance of Services	
676	Maintenance of Meters	
677	Maintenance of Hydrants	
678	Maintenance of Miscellaneous Plant	
	TOTAL TRANSMISSION AND DISTRIBUTION EXPENSES (660-678)	NONE
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	NONE
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	NONE
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
	TOTAL SALES PROMOTION EXPENSES (910)	NONE
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Expenses Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pensions and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	

SCHEDULE: 22A

OPERATING EXPENSE ACCOUNTS (CLASS A & B) Page 4 of 4		
Account No.	Account Title	Amount (in dollars)
751	Maintenance of T & D Structures and Improvements	
752	Maintenance of Treatment and Disposal Plant	
753	Maintenance of Other Treatment and Disposal	
	TOTAL TREATMENT AND DISPOSAL EXPENSES (740-753)	NONE
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses and Flat Rate Inspections	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	NONE
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	NONE
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
914	Revenues from Merchandising, Jobbing and Contract Work	
915	Costs and Expenses of Merchandising, Jobbing and Contract Work	
	TOTAL SALES PROMOTION EXPENSES (910-915)	NONE
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Taxes Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pension and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	
929	Duplicate Charges-Cr.	
930.1	Institutional or Goodwill Advertising Expense	
930.2	Miscellaneous General Expenses	
930.3	Research and Development Expenses	
931	Rents	
932	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-932)	NONE
	TOTAL SEWAGE DISPOSAL (700-932)	NONE
	TOTAL OPERATION AND MAINTENANCE EXPENSE (600-932)	NONE

SCHEDULE: 22B

OPERATING EXPENSE ACCOUNTS (CLASS C) Page 2 of 3		
Account No.	Account Title	Amount (in dollars)
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSE (907)	NONE
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
	TOTAL SALES PROMOTION EXPENSES (910)	NONE
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Expenses Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pensions and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	
929	Duplicate Charges-Cr.	
930.1	Institutional or Goodwill Advertising Expenses	
930.2	Miscellaneous General Expenses	
930.3	Research and Development Expenses	
933	Transportation Expenses	
935	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-935)	NONE
	TOTAL WATERWORKS EXPENSES (600-935)	NONE
	SEWAGE DISPOSAL OPERATIONS EXPENSES:	
700	Supervision and Engineering	
701	Labor and Expenses	
702	Rents	
703	Fuel & Power Purch. for Pumping & Treatment	
704	Chemicals	
705	Misc. Supplies & Expenses	
	TOTAL OPERATIONS EXPENSES (700-705)	NONE
	MAINTENANCE EXPENSES:	
710	Maintenance Supervision and Engineering	
711	Maintenance of Structures and Improvements	
712	Maintenance of Collection Sewers System	
713	Maintenance of Pumping System	
714	Maintenance of Treatment and Disposal Plant	
715	Maintenance of Other Plant Facilities	
	TOTAL MAINTENANCE EXPENSES (710-715)	NONE

SCHEDULE: 22C

1. Class A & B waterworks and sewage disposal companies should use Schedule 22A, Class C companies should use Schedule 22B, and Class D companies should use Schedule 22C.

OPERATING EXPENSE ACCOUNTS
(CLASS D) Page 1 of 2

Account No.	Account Title	Amount (in dollars)
	WATERWORKS	
	PLANT OPERATION & MAINTENANCE:	
600	Salaries & Wages	
610	Purchased Water	38,737
620	Fuel or Power Purch. for Pumping	
630	Chemicals	114
640	Supplies & Expenses	
650	Repairs of Water Plant	1,343
660	Transportation Expenses	
	TOTAL PLANT OPER. & MAINT. (600-660)	40,194
	GENERAL EXPENSES:	
680	Administrative and General Salaries	
681	Office Supplies and Other Expenses	1,881
682	Outside Services Employed	
684	Insurance Expense	
686	Employee Pensions and Benefits	
688	Regulatory Commission Expenses	
689	Miscellaneous General Expenses	1,198
690	Uncollectible Accounts	
	TOTAL GENERAL EXPENSES (680-690)	3,079
	TOTAL WATERWORKS EXPENSES (600-690)	43,273
	SEWAGE DISPOSAL	
	OPERATIONS EXPENSES:	
700	Supervision and Engineering	
701	Labor and Expenses	
702	Rents	
703	Fuel & Power Purch. for Pumping & Treatment	
704	Chemicals	
705	Misc. Supplies & Expenses	
	TOTAL OPERATIONS EXPENSES (700-705)	NONE
	MAINTENANCE EXPENSES:	
710	Maintenance Supervision and Engineering	
711	Maintenance of Structures and Improvements	
712	Maintenance of Collection Sewers System	
713	Maintenance of Pumping System	
714	Maintenance of Treatment and Disposal Plant	
715	Maintenance of Other Plant Facilities	
	TOTAL MAINTENANCE EXPENSES (710-715)	NONE

SCHEDULE: 23

TAXES OTHER THAN INCOME TAXES-OPERATING ACCOUNT 408.1
(in dollars)

Type of tax:	$ Amount
Ohio Property Tax	6,842
Ohio Gross Receipts Tax	2,279
F.I.C.A.	
Other (Specify List) COUNTY TAX	536
TOTAL ACCOUNT 408.1	9,657

SCHEDULE: 24

EMPLOYEE COMPENSATION

	Number of Employees as of December 31			Total Compensation for Year Ending December 31	Distribution of Wages		
	Male	Female	Total		Operation & Maintenance Accounts	Construction	Other (Specify)
Part-time Employees NONE							
Full-time Employees NONE							
TOTAL ALL EMPLOYEES	0	0	0	NONE	NONE	NONE	NONE

SCHEDULE: 26

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)

FOR OHIO AT CLOSE OF YEAR

("Intrastate means from one point in Ohio to another point in Ohio, or wholly within Ohio.")

(For the uses and purposes designated in Revised Code Section 4905.10, assessment for maintaining the Public Utilities Commission of Ohio.)

		Amount (in dollars)		
Acct. No.	Item	Total (1)	Interstate (Other Than Ohio) (2)	Ohio Intrastate (3) = (1) - (2)
400	Waterworks Operating Revenues	65,068	0	65,068
521-526	Sewage Disposal Operating Revenues			
413	Revenue From Utility Plant Leased to Others			
414	Gains from Disposition of Utility Prop.			
415	Revenues from Merch., Jobbing & Contract Work			
417	Revenues from Nonutility Operations			
418	Nonoperating Rental Income			
419	Interest & Dividend Income			
421	Misc. Nonoperating Income	1,587	0	1,587
422	Gain from Disposition of Nonutility Prop.			
433-409.3	Extraordinary Income			
	SUBTOTAL	66,655	0	66,655
466	Earnings or Receipts from Sales to			
	Utilities for Resale	( )	( )	( )
	TOTAL	66,655	0	66,655

Note: Total Column should agree with revenue reported on Schedule 5 and Schedule 21.

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of OHIO
County of DEFIANCE

TERRY E. BEILHARZ makes oath and says that
(Insert here the name of the affiant.)

he/she is PRESIDENT
(Insert here the official title of deponent)

of CHRISTI WATER SYSTEM, INC.
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including JAN. 1, 2003, to and including DEC. 31, 20 03

(Signature of affiant.)

STATE OF OHIO
COUNTY OF DEFIANCE

BEFORE ME A NOTARY PUBLIC FOR THE STATE OF OHIO, APPEARED THE ABOVE NAMED, WHO ACKNOWLEDGED THAT THEY SIGNED THE FOREGOING INSTRUMENT AND THAT THEIR SIGNING WAS THEIR FREE ACT.

IN TESTIMONY WHEREOF, I HAVE HERETO SUBSCRIBED MY NAME AND AFFIXED MY SEAL

THIS 27TH DAY OF MAY 2004.

Catherine Annette Cooley
NOTARY PUBLIC

CATHERINE ANNETTE COOLEY
Notary Public, State of Ohio
My Commission Expires April 13, 2005