

OFFICIAL COPY  
DEPARTMENT OF  
WATER AND SEWER  
REGULATION AND INSPECTION  
Office

CLASS "A" OR "B"  
WATER AND/OR WASTEWATER UTILITIES  
(Gross Revenue of More Than \$200,000 Each)

# ANNUAL REPORT

OF

WS090-03-AR  
Commercial Utilities, Division of Grace and Company, Inc.  
865 South Lane Avenue  
Jacksonville, FL 32205-4420

Submitted To The

STATE OF FLORIDA



10/20/03  
10/20/03  
10/20/03

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

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# **EXECUTIVE SUMMARY**

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

**YEAR OF REPORT**  
December 31, 2003

**CERTIFICATION OF ANNUAL REPORT**

I HEREBY CERTIFY, to the best of my knowledge and belief:

- YES NO  
  1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.
- YES NO  
  2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES NO  
  3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.
- YES NO  
  4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.
X	X	X	X

\_\_\_\_\_  
(Signature of Chief Executive Officer of the utility) \*

1.	2.	3.	4.

\_\_\_\_\_  
(Signature of Chief Financial Officer of the utility) \*

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

**NOTICE:** Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2003
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Commercial Utilities Div. of Grace & Company, Inc.  
 (Exact Name of Utility)

County: Duval

List below the exact mailing address of the utility for which normal correspondence should be sent:

865 South Lane Ave.  
Jacksonville, FL 32205

Telephone: (904) 781-0970

E Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Elroy C. Grace, President  
Grace & Company, Inc.  
865 South Lane Ave.  
Jacksonville, FL 32205  
 Telephone: (904) 781-0970

List below the address of where the utility's books and records are located:

865 South Lane Ave.  
Jacksonville, FL 32205

Telephone: (904) 781-0970

List below any groups auditing or reviewing the records and operations:

N/A

Date of original organization of the utility: April 1, 1974

Check the appropriate business entity of the utility as filed with the Internal Revenue Service

Individual     
  Partnership     
  Sub S Corporation     
  1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<u>Elroy C. Grace</u>	<u>30</u>
2.	<u>Walter E. Grace</u>	<u>20</u>
3.	<u>Forbes D. Grace</u>	<u>20</u>
4.	<u>Robert B. Grace</u>	<u>30</u>
5.		
6.		
7.		
8.		
9.		
10.		



**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

A. Commercial Utilities was organized on April 1, 1974 and received Public Service Commission Certificate 164-S on June 4, 1975. Prior to the existence of Commercial Utilities and PCS certification, water and wastewater treatment was available to land tenants of Grace & Company, Inc. from existing company owned water and wastewater treatment plants. Our utility growth has been determined by normal growth and by a moratorium placed by the City of Jacksonville, FL on construction of new wastewater treatment facilities. On January 18, 1991, Commercial Utilities began purchasing water from the City of Jacksonville, FL but continued to distribute the water through the existing lines. On August 8, 1992, all of the wastewater collecting lines were connected to the Atlee Street wastewater pump station belonging to the City of Jacksonville, FL; however the responsibility of the lines and collection of wastewater remains with Commercial Utilities. By order No. PSC-97-94-FOF-WU, the commission acknowledged the exempt status of the water division and cancelled Certificate NO. 219-W on January 27, 1997.

B. Wastewater

D. Commercial Utilities has two persons on premises to take care of line breaks, replacing of valves, etc. Major work is contracted out. Billing and contract functions are performed by two persons.

C. To provide quality wastewater service to the customers within our service area.

E. Currently our growth is somewhat static; however, future growth has been permitted. The City of Jacksonville, FL has recently extended their lines into property that we were led to believe was our certified territory.

F. Commercial Utilities proposes to reroute some collection lines to accommodate some land use changes.

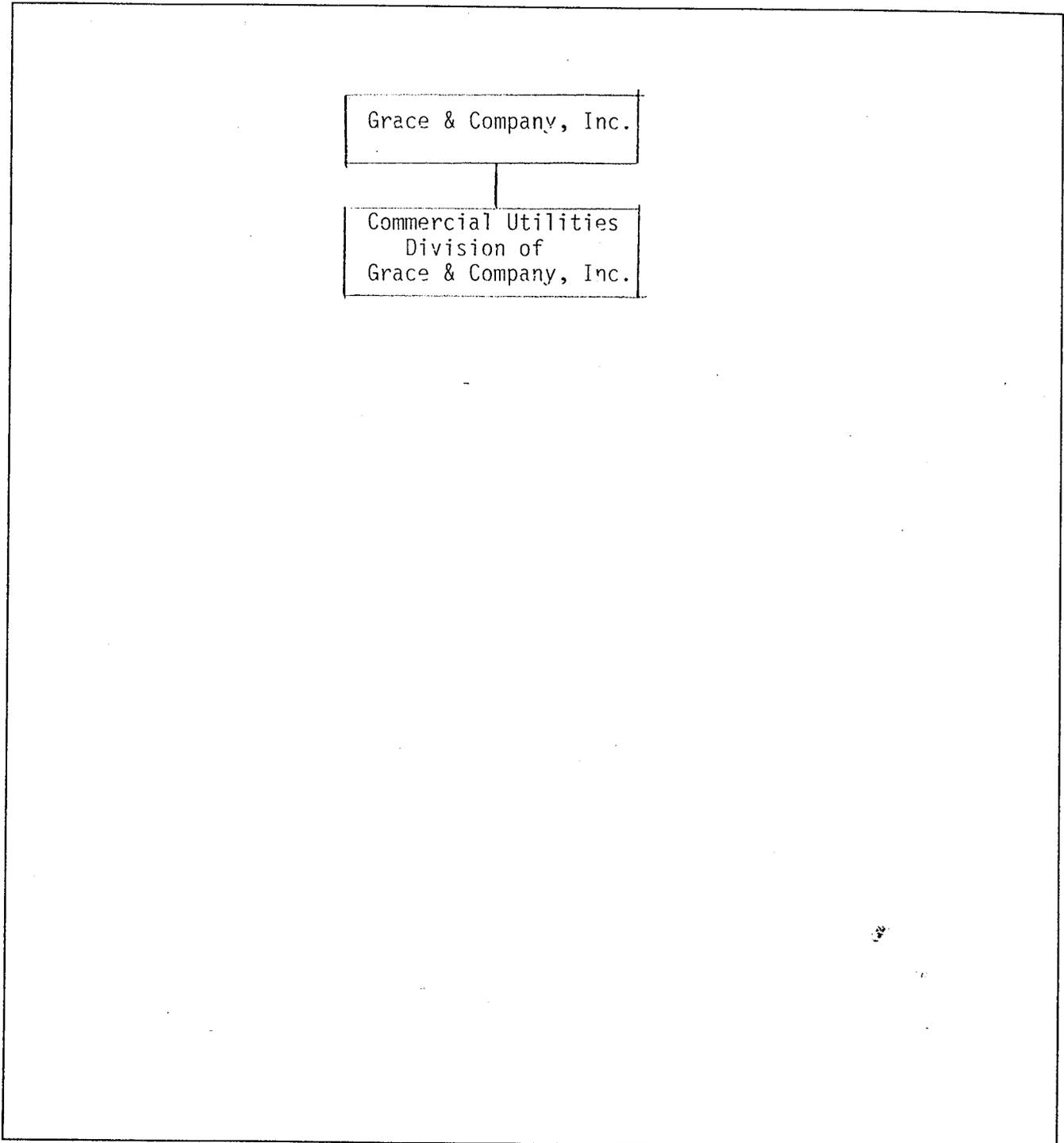
UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of December 31, 2003

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.  
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Elroy C. Grace	President	25%	\$ 28,366
Walter E. Grace	Vice President	1%	0
Forbes D. Grace	Vice President	1%	0
Robert B. Grace	Secretary/Treas	1%	0

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Elroy C. Grace	President	12	\$ 28,366
Walter E. Grace	Vice President	12	0
Forbes D. Grace	Vice President	12	0
Robert B. Grace	Secretary/Tres	12	0











# **FINANCIAL SECTION**

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 722,086	\$ 722,086
108-110	Less: Accumulated Depreciation and Amortization	F-8	294,593	327,119
Net Plant			\$ 427,493	\$ 394,967
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 427,493	\$ 394,967
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$ 127,068	\$ 127,068
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 127,068	\$ 127,068
123	Investment In Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	0	0
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 127,068	\$ 127,068
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ 114,832	\$ 113,827
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	1,637	6,376
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 116,469	\$ 120,203

\* Not Applicable for Class B Utilities

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

**YEAR OF REPORT**  
December 31, 2003

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$	\$
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14		
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		\$	\$
	TOTAL ASSETS AND OTHER DEBITS		\$ 671,030	\$ 642,238

\* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$	\$
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital			
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	1,086	(26,110)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 1,086	\$ (26,110)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17		
Total Long Term Debt			\$	\$
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		4,179	6,376
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		643,421	640,987
236	Accrued Taxes		515	515
237	Accrued Interest	W/S-3 F-19	10,456	9,668
238	Accrued Dividends		2,500	2,500
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 661,071	\$ 660,046

\* Not Applicable for Class B Utilities

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt	F-13	\$	\$
252	Advances For Construction	F-20	\$	\$
253	Other Deferred Credits	F-21	\$	\$
255	Accumulated Deferred Investment Tax Credits		\$	\$
Total Deferred Credits			\$	\$
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve		\$	\$
263	Pensions and Benefits Reserve		\$	\$
265	Miscellaneous Operating Reserves		\$	\$
Total Operating Reserves			\$	\$
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 15,540	\$ 15,540
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	6,567	7,138
Total Net C.I.A.C.			\$ 8,873	\$ 8,302
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$	\$
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		\$	\$
283	Accumulated Deferred Income Taxes - Other		\$	\$
Total Accumulated Deferred Income Tax			\$	\$
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ 671,030	\$ 642,238

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc

<b>YEAR OF REPORT</b> December 31, 2003
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**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 232,362	\$ 221,215
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 232,362	\$ 221,215
401	Operating Expenses	F-3(b)	\$ 190,078	\$ 169,168
403	Depreciation Expense:	F-3(b)	\$ 12,563	\$ 21,300
	Less: Amortization of CIAC	F-22	571	571
Net Depreciation Expense			\$ 11,992	\$ 20,729
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)	11,226	11,226
408	Taxes Other Than Income	W/S-3	11,760	10,958
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 225,056	\$ 212,081
Net Utility Operating Income			\$ 7,306	\$ 9,134
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 7,306	\$ 9,134

\* For each account, Column e should agree with Columns f, g and h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ _____	\$ 221,215	\$ _____
\$ _____	\$ 221,215	\$ _____
\$ _____	\$ 169,168	\$ _____
_____	21,300	_____
_____	571	_____
\$ _____	\$ 20,729	\$ _____
_____	11,226	_____
_____	9,668	_____
_____	_____	_____
_____	1,290	_____
\$ _____	\$ 212,081	\$ _____
\$ _____	\$ 9,134	\$ _____
_____	_____	_____
_____	_____	_____
\$ _____	\$ 9,134	\$ _____

\* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

<b>YEAR OF REPORT</b> December 31, 2003
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**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 7,306	\$ 9,134
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income		264	46
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			\$ 264	\$ 46
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$	\$
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 56,000	\$ 30,000
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 56,000	\$ 30,000
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$	\$
NET INCOME			\$ (48,430)	\$ (20,820)

Explain Extraordinary Income:

.....

.....

.....

.....

.....

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$	\$ 722,086
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8		186,792
110	Accumulated Amortization	F-8		140,327
271	Contributions In Aid of Construction	F-22		15,440
252	Advances for Construction	F-20		
Subtotal			\$	\$ 379,527
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		7,138
Subtotal			\$	\$ 386,665
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			26,090
	Other (Specify):			
RATE BASE			\$	\$ 412,755
NET UTILITY OPERATING INCOME			\$	\$ 9,134
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)				2.21%

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.  
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**SCHEDULE OF CURRENT COST OF CAPITAL  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 172,666	39.03%	9.06%	3.54%
Preferred Stock				
Long Term Debt				
Customer Deposits				
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain) <u>Grace &amp; Co.</u>	<u>269,714</u>	<u>60.97%</u>	<u>9.00%</u>	<u>5.49%</u>
<b>Total</b>	<b>\$ <u>442,380</u></b>	<b><u>100.00%</u></b>		<b><u>9.03%</u></b>

(1) If the utility's capital structure is not used, explain which capital structure is used.

\_\_\_\_\_

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

**APPROVED RETURN ON EQUITY**

Return on Equity:	<u>10.88 %</u>
Case Reference:	<u>PSC-93-0233-FOF-WS</u>

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

AFUDC rate:	_____ %
AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.



UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$	\$ 722,086	\$	\$ 722,086
102	Utility Plant Leased to Other				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
	Total Utility Plant	\$	\$ 722,086	\$	\$ 722,086

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.  
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$	\$	\$	\$
	None				
	Total Plant Acquisition Adjustments	\$	\$	\$	\$
115	Accumulated Amortization	\$	\$	\$	\$
	None				
	Total Accumulated Amortization	\$	\$	\$	\$
	Net Acquisition Adjustments	\$	\$	\$	\$

**ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$	\$ 165,492	\$	\$ 165,492
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$	\$ 21,300	\$	\$ 21,300
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$	\$ 21,300	\$	\$ 21,300
Debits during year:				
Book cost of plant retired				
Cost of Removal				
Other Debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$ 186,792	\$	\$ 186,792
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$	\$ 129,101	\$	\$ 129,101
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$	\$ 11,226	\$	\$ 11,226
Other Accounts (specify):				
Total credits	\$	\$ 11,226	\$	\$ 11,226
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$ 140,327	\$	\$ 140,327

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

<b>YEAR OF REPORT</b> December 31, 2003
--

**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
None	\$ _____	_____	\$ _____
Total	\$ _____	_____	\$ _____

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
Unknown	\$ 127,068	\$ _____	\$ _____	\$ 127,068
Total Nonutility Property	\$ _____	\$ _____	\$ _____	\$ _____

**SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ _____
Total Special Deposits	\$ _____
OTHER SPECIAL DEPOSITS (Account 133): None	\$ _____
Total Other Special Deposits	\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

**YEAR OF REPORT**  
December 31, 2003

**INVESTMENTS AND SPECIAL FUNDS**  
**ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): _____ None _____ _____ _____	\$	\$
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): _____ None _____ _____ _____	\$	\$
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): _____ None _____ _____ _____	\$	\$
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ None _____ _____ _____	\$	\$
Total Special Funds		\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in  
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$	
Wastewater		6,376
Other		
Total Customer Accounts Receivable		\$ 6,376
OTHER ACCOUNTS RECEIVABLE (Account 142):		
	\$	
Total Other Accounts Receivable		\$
NOTES RECEIVABLE (Account 144):		
	\$	
Total Notes Receivable		\$
Total Accounts and Notes Receivable		\$ 6,376
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$	
Add: Provision for uncollectibles for current year	\$	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions		\$
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off		\$
Balance end of year		\$
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 6,376



UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): _____ None _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251): _____ None _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ None _____	\$ _____ _____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

MISCELLANEOUS DEFERRED DEBITS  
ACCOUNT 186

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)  _____ None _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Deferred Rate Case Expense	\$ _____	\$ _____
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):  _____ None _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Other Deferred Debits	\$ _____	\$ _____
REGULATORY ASSETS (Class A Utilities: Account. 186.3):  _____ None _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Regulatory Assets	\$ _____	\$ _____
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ _____	\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

**YEAR OF REPORT**  
December 31, **2003**

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share		%\$
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		%\$
Dividends declared per share for year		%\$
<b>PREFERRED STOCK</b>		
Par or stated value per share		%\$
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		%\$
Dividends declared per share for year		%\$

\* Account 204 not applicable for Class B utilities.

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
None	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

\* For variable rate obligations, provide the basis for the rate. (i.e., prime + 2%, etc.)

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

**STATEMENT OF RETAINED EARNINGS**

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ 1,086
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use): Credits: ..... .....	\$ _____ _____
	Total Credits:	\$ _____
	Debits: ..... .....	\$ _____ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (27,196)
436	Appropriations of Retained Earnings: ..... .....	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared	_____
438	Common Stock Dividends Declared	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (26,110)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): ..... .....	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (26,110)
Notes to Statement of Retained Earnings:		



UTILITY NAME: Commercial Utilities Div of Grace & Company, Inc.

**YEAR OF REPORT**  
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**NOTES PAYABLE  
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE ( Account 232):			
	%		\$
None			
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
	%		\$
None			
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Grace & Company, Inc.	\$ 640,987
	\$
Total	\$ 640,987

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$	\$		\$	
Total Account 237.1	\$	\$		\$	
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities	\$ 2,500	427	\$ 30,000	\$ 30,000	\$ 2,500
Customer Deposits					
Total Account 237.2	\$ 2,500		\$ 30,000	\$ 30,000	\$ 2,500
Total Account 237 (1)	\$ 2,500		\$ 30,000	\$ 30,000	\$ 2,500
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 30,000		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$ 30,000		

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.  
(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
None	\$
Total Miscellaneous Current and Accrued Liabilities	\$

ADVANCES FOR CONSTRUCTION  
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
None	\$	\$		\$	
Total	\$	\$		\$	\$

\* Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

**YEAR OF REPORT**  
December 31, 2003

**OTHER DEFERRED CREDITS  
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
None	\$ _____	\$ _____
	_____	_____
	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
None	\$ _____	\$ _____
	_____	_____
	_____	_____
	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ _____	\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____	\$ 15,440	\$ _____	\$ 15,440
Add credits during year:	\$ _____	\$ _____	\$ _____	\$ _____
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ _____	\$ 15,440	\$ _____	\$ 15,440

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____	\$ 6,567	\$ _____	\$ 6,567
Debits during the year:	\$ _____	\$ 571	\$ _____	\$ 571
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ _____	\$ 7,138	\$ _____	\$ 7,138

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

<b>YEAR OF REPORT</b> December 31, 2003
--

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

- 1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- 2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (20,820)
Reconciling items for the year:		
Taxable income not reported on books:		
_____		
_____		
_____		
Deductions recorded on books not deducted for return:		
_____		
_____		
_____		
Income recorded on books not included in return:		
_____		
_____		
_____		
Deduction on return not charged against book income:		
_____		
_____		
_____		
Federal tax net income		\$ (20,820)
Computation of tax :		

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ _____
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	
252	Advances for Construction	F-20	
Subtotal			\$ _____
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ _____
Subtotal			\$ _____
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WATER RATE BASE			\$ _____
WATER OPERATING INCOME		W-3	\$ _____
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			_____

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.  
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY :

Not  
Applicable

**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ _____
469	Less: Guaranteed Revenue and AFPI	W-9	_____
Net Operating Revenues			\$ _____
401	Operating Expenses	W-10(a)	\$ _____
403	Depreciation Expense	W-6(a)	_____
	Less: Amortization of CIAC	W-8(a)	_____
Net Depreciation Expense			\$ _____
406	Amortization of Utility Plant Acquisition Adjustment	F-7	_____
407	Amortization Expense (Other than CIAC)	F-8	_____
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		
408.11	Property Taxes		
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ _____
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ _____
Utility Operating Income			\$ _____
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ _____
413	Income From Utility Plant Leased to Others		_____
414	Gains (losses) From Disposition of Utility Property		_____
420	Allowance for Funds Used During Construction		_____
Total Utility Operating Income			\$ _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY :

Not  
Applicable

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$	\$	\$	\$
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	<sup>142</sup> TOTAL WATER PLANT	\$	\$	\$	\$

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

W-4(a)  
GROUP

YEAR OF REPORT  
December 31, 2003

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

SYSTEM NAME / COUNTY: \_\_\_\_\_

Not  
Applicable

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization	\$	\$	\$	\$	\$	\$
302	Franchises						
303	Land and Land Rights						
304	Structures and Improvements						
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs						
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment						
320	Water Treatment Equipment						
330	Distribution Reservoirs and Standpipes						
331	Transmission and Distribution Mains						
333	Services						
334	Meters and Meter Installations						
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment						
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
TOTAL WATER PLANT		\$	\$	\$	\$	\$	\$

W-4(b)  
GROUP \_\_\_\_\_

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements			
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs			
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME:

Commercial Utilities Div. of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY :

Not  
Applicable

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$	\$		\$
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$

\* Specify nature of transaction  
Use ( ) to denote reversal entries.

W-6(a)  
GROUP

YEAR OF REPORT  
December 31, 2003

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

Not  
Applicable

SYSTEM NAME / COUNTY: \_\_\_\_\_

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment					
320	Water Treatment Equipment					
330	Distribution Reservoirs and Standpipes					
331	Transmission and Distribution Mains					
333	Services					
334	Meters and Meter Installations					
335	Hydrants					
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment					
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$	\$

W-6(b)  
GROUP \_\_\_\_\_



UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**WATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ _____

**ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ _____
Debits during the year: Accruals charged to Account 272	\$ _____
Other debits (specify) : _____ _____	_____ _____
Total debits	\$ _____
Credits during the year (specify) : _____ _____	\$ _____ _____
Total credits	\$ _____
Balance end of year	\$ _____



UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$ _____
461.1	Metered Water Revenue: Sales to Residential Customers			_____
461.2	Sales to Commercial Customers			_____
461.3	Sales to Industrial Customers			_____
461.4	Sales to Public Authorities			_____
461.5	Sales Multiple Family Dwellings			_____
Total Metered Sales				\$ _____
462.1	Fire Protection Revenue: Public Fire Protection			_____
462.2	Private Fire Protection			_____
Total Fire Protection Revenue				\$ _____
464	Other Sales To Public Authorities			_____
465	Sales To Irrigation Customers			_____
466	Sales For Resale			_____
467	Interdepartmental Sales			_____
Total Water Sales				\$ _____
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ _____
470	Forfeited Discounts			_____
471	Miscellaneous Service Revenues			_____
472	Rents From Water Property			_____
473	Interdepartmental Rents			_____
474	Other Water Revenues			_____
Total Other Water Revenues				\$ _____
Total Water Operating Revenues				\$ _____

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO.  (a)	ACCOUNT NAME  (b)	CURRENT YEAR  (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS  (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE  (e)
601	Salaries and Wages - Employees	\$	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power			
616	Fuel for Power Production			
618	Chemicals			
620	Materials and Supplies			
631	Contractual Services-Engineering			
632	Contractual Services - Accounting			
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing			
636	Contractual Services - Other			
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses			
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workman's Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense			
675	Miscellaneous Expenses			
Total Water Utility Expenses		\$	\$	\$



UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total for Year					

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_

Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, list names of such utilities below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
_____			
_____			
_____			
_____			

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
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SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

### WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	_____
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	_____
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	_____
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon):	Manufacturer: _____
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet):	Manufacturer: _____
Gravity (in GPM/square feet):	Manufacturer: _____

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).  
Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:  
ERC = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC Calculation:

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY : \_\_\_\_\_

Not  
Applicable

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. \_\_\_\_\_
2. Maximum number of ERCs \* which can be served. \_\_\_\_\_
3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_
4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_
5. Estimated annual increase in ERCs \*. \_\_\_\_\_
6. Is the utility required to have fire flow capacity? \_\_\_\_\_  
If so, how much capacity is required? \_\_\_\_\_
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_
10. If the present system does not meet the requirements of DEP rules:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
11. Department of Environmental Protection ID # \_\_\_\_\_
12. Water Management District Consumptive Use Permit # \_\_\_\_\_
  - a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* An ERC is determined based on the calculation on the bottom of Page W-13.

**WASTEWATER  
OPERATION  
SECTION**



UTILITY NAME: Commercial Utilities Div of Grace & Company Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**SCHEDULE OF YEAR END WASTEWATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 722,086
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	174,227
110	Accumulated Amortization		129,101
271	Contributions In Aid of Construction	S-7	15,440
252	Advances for Construction	F-20	
Subtotal			\$ 403,318
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 7,138
Subtotal			\$ 410,456
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		26,090
	Other (Specify):		
WASTEWATER RATE BASE			\$ 436,546
WASTEWATER OPERATING INCOME		S-3	\$ 9,134
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			2.09%

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.  
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 221,215
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
Net Operating Revenues			\$ 221,215
401	Operating Expenses	S-10(a)	\$ 169,168
403	Depreciation Expense	S-6(a)	21,300
	Less: Amortization of CIAC	S-8(a)	571
Net Depreciation Expense			\$ 20,229
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	11,226
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		9,668
408.11	Property Taxes		
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		1,290
408	Total Taxes Other Than Income		\$ 10,958
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 212,081
Utility Operating Income			\$ 9,134
Add Back:			
530	Guaranteed Revenue (and AFPI)	S-9(a)	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 9,134

YEAR OF REPORT  
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UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$	\$	\$	\$
352	Franchises				
353	Land and Land Rights				
354	Structures and Improvements				
355	Power Generation Equipment				
360	Collection Sewers - Force	350,014			350,014
361	Collection Sewers - Gravity	12,226			12,226
362	Special Collecting Structures				
363	Services to Customers	2,492			2,492
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	54,246			54,246
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant Miscellaneous Equipment				
390	Office Furniture and Equipment	303,108			303,108
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 722,086	\$	\$	\$ 722,086

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.  
SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
351	Organization							
352	Franchises							
353	Land and Land Rights							
354	Structures and Improvements							
355	Power Generation Equipment							
360	Collection Sewers - Force		350,014					
361	Collection Sewers - Gravity		12,226					
362	Special Collecting Structures							
363	Services to Customers		2,492					
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			54,246				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant Miscellaneous Equipment	303,108						
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 303,108	\$ 364,732	\$ 54,246	\$	\$	\$	\$

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**BASIS FOR WASTEWATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers - Force	27.00	0.00%	3.70%
361	Collection Sewers - Gravity	40.00	0.00%	2.50%
362	Special Collecting Structures			
363	Services to Customers	35.00	0.00%	2.86%
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	25.00	0.00%	4.00%
371	Pumping Equipment			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment	27.00	0.00%	3.70%
390	Office Furniture and Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equipment			
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible Plant			
Wastewater Plant Composite Depreciation Rate *		27.01	0.00%	3.70%

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
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SYSTEM NAME / COUNTY: Commercial Utilities/Duval

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements				
355	Power Generation Equipment				
360	Collection Sewers - Force	134,870	16,982		16,982
361	Collection Sewers - Gravity	4,671	519		519
362	Special Collecting Structures				
363	Services to Customers	1,233	120		120
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	24,718	3,679		3,679
371	Pumping Equipment				
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant Miscellaneous Equipment				
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
Total Depreciable Wastewater Plant in Service		\$ 165,492	\$ 21,300	\$	\$ 21,300

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

S-6(a)  
GROUP 1

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$	\$
355	Power Generation Equipment					
360	Collection Sewers - Force					141,988
361	Collection Sewers - Gravity					4,918
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					1,298
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					
375	Reuse Transmission and Distribution System					26,023
380	Treatment and Disposal Equipment					
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant Miscellaneous Equipment					
390	Office Furniture and Equipment					
391	Transportation Equipment					
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					
394	Laboratory Equipment					
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					
Total Depreciable Wastewater Plant in Service						\$ 174,227

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

S-6(b)  
GROUP 1

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.

<b>YEAR OF REPORT</b> December 31, 2003
--

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ 15,440
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8(a)	\$
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	\$
Total Credits		\$
Less debits charged during the year (All debits charged during the year must be explained below)		\$
Total Contributions In Aid of Construction		\$ 15,440

Explain all debits charged to Account 271 during the year below:

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UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

YEAR OF REPORT  
December 312003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**WASTEWATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
N/A		\$	\$
Total Credits			\$

**ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 6,567
Debits during the year:	
Accruals charged to Account 272	\$ 571
Other debits (specify):	
Total debits	\$ 571
Credits during the year (specify):	
Total credits	\$
Balance end of year	\$ 7,138

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

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SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**WASTEWATER CIAC SCHEDULE "B"**  
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION  
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS  
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
None		\$
Total Credits		\$

UTILITY NAME: Commercial Utilities Div of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues			\$
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues			\$
522.1	Measured Revenues: Residential Revenues			
522.2	Commercial Revenues	39	39	221,215
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			
522	Total Measured Revenues	39	39	\$ 221,215
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
Total Wastewater Sales		39	39	\$ 221,215
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			
Total Other Wastewater Revenues				\$

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc

<b>YEAR OF REPORT</b> December 31, 2003
--

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$ _____
540.2	Commercial Reuse Revenues			_____
540.3	Industrial Reuse Revenues			_____
540.4	Reuse Revenues From Public Authorities			_____
540.5	Other Revenues			_____
540	Total Flat Rate Reuse Revenues			\$ _____
541.1	Measured Reuse Revenues: Residential Reuse Revenues			_____
541.2	Commercial Reuse Revenues			_____
541.3	Industrial Reuse Revenues			_____
541.4	Reuse Revenues From Public Authorities			_____
541	Total Measured Reuse Revenues			\$ _____
544	Reuse Revenues From Other Systems			_____
Total Reclaimed Water Sales				\$ _____
Total Wastewater Operating Revenues				\$ <u>221,215</u>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES- OPERATIONS (f)	.4 PUMPING EXPENSES- MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 18,703						
703	Salaries and Wages - Officers, Directors and Majority Stockholders	28,366						
704	Employee Pensions and Benefits	93,249					93,249	
710	Purchased Sewage Treatment	600					600	
711	Sludge Removal Expense	1,324					1,324	
715	Purchased Power							
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies							
731	Contractual Services-Engineering	11,341						
732	Contractual Services - Accounting							
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing							
736	Contractual Services - Other							
741	Rental of Building/Real Property	14,400						
742	Rental of Equipment							
750	Transportation Expenses							
756	Insurance - Vehicle							
757	Insurance - General Liability							
758	Insurance - Workman's Comp.							
759	Insurance - Other	356						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	829						
Total Wastewater Utility Expenses		\$ 169,168	\$	\$	\$	\$	\$ 95,173	\$

YEAR OF REPORT  
December 31, 2003

UTILITY NAME: Commercial Utilities Div. of Grace & Company, Inc.

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	.7 CUSTOMER ACCOUNTS EXPENSE	.8 ADMIN. & GENERAL EXPENSES	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE
(a)	(b)	(j)	(k)	(l)	(m)	(n)	(o)
701	Salaries and Wages - Employees	\$ 6,177					
703	Salaries and Wages - Officers, Directors and Majority Stockholders		28,366				
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services-Engineering		11,341				
732	Contractual Services - Accounting						
733	Contractual Services - Legal						
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property		14,400				
742	Rental of Equipment						
750	Transportation Expenses						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workman's Comp.						
759	Insurance - Other		356				
760	Advertising Expense						
766	Regulatory Commission Expenses						
767	- Amortization of Rate Case Expense						
770	Regulatory Commission Exp.-Other						
775	Bad Debt Expense		829				
	Miscellaneous Expenses						
Total Wastewater Utility Expenses		\$ 6,177	\$ 55,292	\$	\$	\$	\$

S-10(b)  
GROUP 1

UTILITY NAME: Commercial Utilities Div of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS**

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	6	6
3/4"	Displacement	1.5		
1"	Displacement	2.5	11	28
1 1/2"	Displacement or Turbine	5.0	10	50
2"	Displacement, Compound or Turbine	8.0	10	80
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	1	25
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				204

**CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day} )$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

UTILITY NAME: Commercial Utilities Div of Grace & Company Inc.

YEAR OF REPORT December 31, 2008
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SYSTEM NAME / COUNTY: Commercial Utilities/Duval

### WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	N/A		
Basis of Permit Capacity (1)	N/A		
Manufacturer	N/A		
Type (2)	N/A		
Hydraulic Capacity	N/A		
Average Daily Flow	N/A		
Total Gallons of Wastewater Treated	N/A		
Method of Effluent Disposal	N/A		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)
- (2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Commercial Utilities Div. of Grace & Company Inc.

YEAR OF REPORT  
December 31, 2003

SYSTEM NAME / COUNTY: Commercial Utilities/Duval

**OTHER WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present number of ERCs\* now being served \_\_\_\_\_ 204 \_\_\_\_\_
- 2. Maximum number of ERCs\* which can be served \_\_\_\_\_ 229 \_\_\_\_\_
- 3. Present system connection capacity (in ERCs\*) using existing lines \_\_\_\_\_ 229 \_\_\_\_\_
- 4. Future connection capacity (in ERCs\*) upon service area buildout \_\_\_\_\_ 229 \_\_\_\_\_
- 5. Estimated annual increase in ERCs\* \_\_\_\_\_
- 6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
\_\_\_\_\_  
\_\_\_\_\_
- 7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. N/A
- 8. If the utility does not engage in reuse, has a reuse feasibility study been completed? \_\_\_\_\_ No \_\_\_\_\_  
If so, when? \_\_\_\_\_ N/A \_\_\_\_\_
- 9. Has the utility been required by the DEP or water management district to implement reuse? \_\_\_\_\_ No \_\_\_\_\_  
If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_ N/A \_\_\_\_\_
- 10. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_ N/A \_\_\_\_\_
- 11. If the present system does not meet the requirements of DEP rules:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules. \_\_\_\_\_ N/A
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading. \_\_\_\_\_
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
- 12. Department of Environmental Protection ID # PWS-1D2160226

\* An ERC is determined based on the calculation on S-11.