

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 15, 2005
TO: Stephanie Clapp, Division of Economic Regulation
FROM: Denise N. Vandiver, Chief, Bureau of Auditing
Division of Regulatory Compliance and Consumer Assistance
RE: **Docket No.:** 040951-WS; **Company Name:** Florida Water Services Corp. ; **Audit Purpose:** Establish Rate Base; **Audit Control No.:** 04-247-3-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of the Commission Clerk and Administrative Services. There are no confidential work papers associated with this audit.

DNV/jcp
Attachment

cc: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)
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FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF REGULATORY COMPLIANCE & CONSUMER ASSISTANCE
BUREAU OF AUDITING*

Orlando District Office

FLORIDA WATER SERVICES CORPORATION

**BREVARD, HIGHLANDS, LAKE, ORANGE, PASCO,
POLK, PUTNAM, SEMINOLE, VOLUSIA,
AND WASHINGTON COUNTIES**

ESTABLISH RATE BASE AUDIT

AS OF JUNE 30, 2004

**DOCKET NO. 040951-WS
AUDIT CONTROL NO. 04-247-3-1**

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**DIVISION OF REGULATORY COMPLIANCE & CONSUMER ASSISTANCE
AUDITOR'S REPORT**

February 17, 2005

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED
PARTIES**

We have applied the procedures described later in this report to prepare schedules of Rate Base as of June 30, 2004, for Florida Water Services Corporation's water and wastewater operations located in Brevard, Highlands, Lake, Orange, Pasco, Polk, Putnam, Seminole, Volusia, and Washington Counties, Florida. These schedules were prepared by the audit staff as part of the company's application for Certificate of Transfer in Docket No. 040951-WS.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report.

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Verified - The item was tested for accuracy and compared to substantiating documentation.

RATE BASE: Compiled account balances for utility-plant-in-service (UPIS), land and land rights, construction-work-in-progress, plant held for future use, acquisition adjustments (AA), contributions-in-aid-of-construction (CIAC), accumulated depreciation, accumulated amortization of CIAC, accumulated amortization of AA, extraordinary abandonments (net), and other regulatory assets for Florida Water Services Corporation's Brevard, Highlands, Lake, Orange, Pasco, Polk, Putnam, Seminole, Volusia, and Washington Counties systems as of June 30, 2004.

Reconciled rate base balances authorized in Commission Orders Nos. PSC-96-1320-FOF-WS, issued October 30, 1996, and PSC-99-1399-PAA-WU, issued July 21, 1999, to the utility's General Ledger for its systems in Brevard, Highlands, Lake, Orange, Pasco, Putnam, Seminole, Volusia, and Washington Counties. Compiled rate base balances for the utility's systems in Polk County which came under Commission jurisdiction in Commission Order. No. PSC-97-0376-FOF-WS, issued April 7, 1997.

Reviewed selected additions to UPIS and CIAC accounts using auditor judgment. Verified selected additions to accumulated depreciation and accumulated amortization of CIAC for proper rates and calculations. Verified the utility's other regulatory asset balance approved in Commission Order No. PSC-99-1794-FOF-WS, issued September 14, 1999. Assembled water and wastewater rate base schedules as of June 30, 2004, for each utility system transferred.

Exception No. 1

Subject: Orange County-Tangerine - UPIS and Accumulated Depreciation

Statement of Fact: Commission Order PSC-99-1399-PAA-WU, issued July 21, 1999, established UPIS balance of \$169,065 as of December 31, 1998. The utility's General Ledger shows a UPIS balance of \$167,964 as of March 30, 2000.

The difference of \$1,101 is located in Account 331, Transmission and Distribution Mains. (\$169,065 - \$167,964)

Commission Order PSC-99-1399-PAA-WU, issued July 21, 1999, established the accumulated depreciation balance of \$82,292 as of December 31, 1998. The utility's General Ledger shows an accumulated depreciation balance of \$86,801 as of March 30, 2000. The utility did not have any depreciation records for the period of December 31, 1998 through March 1, 2000, the date of the acquisition.

Opinion: The utility's UPIS balance does not reconcile with the above Order. The utility should increase Account 331, Transmission and Distribution Mains, by \$1,101 with a corresponding increase of \$141 for 5½ years of depreciation accruals using the Commission rule depreciation rate of 2.33 percent. ($\$1,101 \times 2.233\% \times 5.5 \text{ years}$)

The audit staff calculated the utility's accumulated depreciation balance for the period December 31, 1998 through March 30, 2000, to be \$91,029. The utility should increase its accumulated depreciation balance by \$4,228, which is the difference between the audit staff's calculated balance and the Order balance referenced above.

The utility should increase its accumulated depreciation balance by the following amounts:

Amount	Description
\$4,228	Reconciliation to the above Order (\$91,029 - \$86,801)
<u>\$141</u>	Calculation of accumulated depreciation on UPIS adjustment of \$1,101
\$4,369	

Exception No. 2

Subject: Polk County–Lake Gibson - Interconnect Agreement

Statement of Fact: In 2001, the company demolished its wastewater treatment plant and connected its collection system to the county system through a master lift station at the old wastewater treatment plant site. Wastewater UPIS Account No. 389, Other Plant, contains two charges related to the County Interconnect Agreement.

<u>Date</u>	<u>Account No. 389</u>	<u>Description</u>
6/30/2002	\$1,125,048	Lake Gibson Interconnect Polk
6/30/2002	<u>139,688</u>	Lake Gibson Interconnect Polk
	1,264,735	Total
	<u>1,124,778</u>	Per County Loan Analysis
	\$139,957	Difference

The county is financing the interconnection. According to the Mortgage and Loan Analysis, the amount financed is \$1,012,300 plus interest of \$384,577, which is to be paid in ten annual payments of \$139,688. The total charged by the county was \$1,124,778. The utility paid \$112,478 as a down payment and financed the remaining \$1,012,300.

Opinion: The amount booked is \$139,957 higher than shown in the County Loan Analysis and should be removed from wastewater plant. The plant was depreciated at a rate of 5.56 percent for two years for a total of \$15,563. This amount should be removed from accumulated depreciation.

Exception No. 3

Subject: Polk County-Lake Gibson - Cost of Removal Recorded as UPIS

Statement of Fact: The utility recorded costs related to the interconnection with the county in Project 00CW728. The project was closed in December 2001. Included in the project costs was \$11,220 for pumping out the tanks for the wastewater treatment plant prior to removal. The company included these costs as an indirect charge for the project and allocated it to the following accounts:

Acct. No.		Direct Cost	Percent of	Indirect	Depreciation	Depreciation
		Contract	Total Cost	Invoice	Rate	Expense
				Allocation		
343.50	Tools, Shop & Garage	\$13,250	4.94%	\$553	5.25%	\$29
370.30	Receiving Wells	31,089	11.59%	1,299	3.33%	43
371.30	Pumping Equipment	45,000	16.78%	1,880	5.56%	105
381.40	Plant Sewers	153,800	57.36%	6,424	2.86%	184
354.30	Structures & Improvements	12,000	4.48%	501	3.13%	16
364.20	Flow Measuring Devices	<u>13,000</u>	4.85%	<u>543</u>	2.00%	<u>11</u>
		<u>\$268,139</u>	100.00%	<u>\$11,200</u>		<u>\$387</u>

The company provided a response indicating that these costs did relate to the removal of the old plant.

Opinion: These amounts should be removed from the above accounts and debited to the accumulated depreciation account or the extraordinary abandonment account pending Commission approval. They are included in Exception No. 2 of this report and included in its adjustment. Accordingly, the accumulated depreciation related to the above adjustment is \$1,161 and should be removed.

Exception No. 4

Subject: Polk County - Plant Tour

Statement of Fact: While touring the Polk County plants, it was determined that an ice maker in Account 347, Miscellaneous Equipment, that was split between water and wastewater in Lake Gibson costing \$1,268 has been moved to the Gibsonia plant. Accumulated depreciation of \$582 has been recorded for this asset.

In addition, a generator in Account 310, Power Generation Equipment, for the Lake Gibson water plant purchased in 1987 for \$36,611 is not operating.

Opinion: The ice maker should be removed from the Lake Gibson water and wastewater plants at \$634 each, along with \$291 each for the accumulated depreciation, and \$1,268 should be added to plant for Gibsonia, along with an increase in accumulated depreciation of \$582.

If the generator can be repaired, no adjustment is needed. If not, it should be retired.

Exception No. 5

Subject: Putnam County-Beecher's Point - Unsupported UPIS Additions

Statement of Fact: The audit staff requested supporting documentation for the following four UPIS asset additions at the Beecher's Point water and wastewater plants.

Opinion: In 1996, the utility capitalized Project 93CN054. The utility was unable to provide invoices or other original source documentation. The only evidence provided were copies of the entries related to the project from the utility accounts payable records. Therefore, the audit staff recommends removing the following unsupported water plant.

Project 93CN054

<u>Acct. No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Acc. Dep.</u>
331.40	Transmission & Distribution	(\$42,160)	\$8,841

In 2002, the utility capitalized Project 98CC700. In response to an audit request, the company indicated that the overhead applied to the land balance was incorrect. (The land issue is addressed in Exception No. 14 of this report.) The audit staff's review indicates that the overhead related to the entire project was incorrect. Therefore, the audit staff recommends that the following wastewater plant accounts be reduced to correct the overhead adjustment. In addition, the related accumulated depreciation should also be adjusted.

Project 98CC700

<u>Acct. No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Acc. Dep.</u>
360.20	Collection Sewers - Force	(\$34,400)	\$2,291
363.20	Services to Customers	(812)	43
370.20	Receiving Wells	<u>(13,943)</u>	<u>733</u>
Totals		(\$49,154)	\$3,067

Exception No. 6

Subject: Putnam County-Hermits Cove - True-Up Adjustment Errors

Statement of Fact: The MFRs filed in Docket No. 950495-WS contained several true-up adjustments to historic rate base for Hermits Cove that were made by the utility. The utility prepared three sets of MFRs, one for the historic year and two for the projected years. Between each set of MFRs, the utility changed certain allocations and assumptions that, in turn, changed some account balances, called a true-up. The Commission accepted the MFRs balances, as adjusted, and made no further adjustment to the historic amounts. Many, but not all, of these true up adjustments were recorded by the utility after the above-mentioned docket was closed.

Opinion: Rate base should be adjusted by reducing UPIS for \$4,562 and accumulated depreciation by \$4,959 (\$2,844 + \$2,115) for those true-up adjustments not recorded by the utility.

Account No.	Description	UPIS	Acc. Dep. Related to UPIS	Acc. Dep.
304.30	Structures & Improvements			(\$298)
330.40	Dist. Reservoirs & Standpipes	0	0	200
340.50	Office Furniture	(4,834)	3,062	2,160
343.50	Tools, Shop & Equipment	(235)	140	230
345.50	Power Operated Equipment	734	(581)	(781)
346.50	Communication Equipment	(411)	390	604
347.50	Miscellaneous Equipment	184	(167)	0
Totals		(\$4,562)	\$2,844	\$2,115

Exception No. 7

Subject: Seminole County-Florida Central Park - UPIS and Accumulated Depreciation

Statement of Fact: The utility recorded \$14,081 in Account 361, Collection Sewer, Gravity, for a replacement of a sewer pipe in August 2002.

Per Order No. PSC-01-1574-PAA-WS, issued September 23, 2003, retirements are based on 75 percent of the replacement cost, where no original cost documentation is available.

Opinion: The UPIS balance should be reduced by \$10,561 ($\$14,081 \times 75\%$), since the utility did not record the retirement for the above-mentioned replacement.

The above-recommended UPIS retirement will also require a corresponding adjustment to reduce accumulated depreciation by \$10,561 as of June 30, 2004.

Exception No. 8

Subject: Volusia County-Jungle Den - UPIS and Accumulated Depreciation

Statement of Fact: The utility recorded a repair expense of \$6,665 in Account No. 361, Collection Sewers-Gravity, during August 2001.

The utility recorded \$4,577 for the relocation of a blower in Account 380, Treatment & Disposal Equipment, during December 2000.

The utility recorded \$25,529 for the replacement of gravity lines in Account 361, Collection of Sewers-Gravity, during December 2000.

The utility recorded \$4,951 for the replacement of a pump motor in the Account 380, Treatment & Disposal Equipment, during June 2003.

Per Commission Rule 25-30.433, F.A.C.,

Non-recurring expense shall be amortized over a 5-year period unless a shorter or longer period of time can be justified.

Per Order No. PSC-01-1574-PAA-WS, issued September 23, 2003, retirements are based on 75 percent of the replacement cost, where no original cost documentation is available.

Opinion: The amount of \$34,102 (\$6,665 + \$4,577 + \$22,860) should be removed from the balance of the UPIS account, based on the following:

Amount	Description
\$6,665	Repair expense that should be debited to O&M and amortized over 5 years.
4,577	Relocation expense that should be debited to O&M and amortized over 5 years.
<u>22,860</u>	75% x \$30,480 since the utility did not record the plant retirement.
\$34,102	

The above audit staff adjustments will also require corresponding adjustments that reduce accumulated depreciation balance by \$24,170 (\$1,310 + \$22,860) based on the following schedules.

Acct. No.	Description	Original Cost	Depreciation Rate	Depreciation Expense	Plant Retirement	Accumulated Depreciation
361	Collection Sewer	\$6,665	2.22%	\$148		(\$419)
380	T & D	<u>4,577</u>	5.56%	<u>254</u>		<u>(891)</u>
		\$11,242		\$402		(\$1,310)
361	Collection Sewer	\$25,529			(\$19,147)	(\$19,147)
380	T & D	<u>4,951</u>			<u>(3,713)</u>	<u>(3,713)</u>
		\$30,480			(\$22,860)	(\$22,860)

Exception No. 8, continued

<u>Amount</u>	<u>Description</u>
\$22,860	UPIS retirement.
419	Accumulated depreciation for cost of repair.
<u>891</u>	Accumulated depreciation for cost of relocating blowers.
\$24,170	

Exception No. 9

Subject: Land and Land Rights

Statement of Fact: The utility's land values were established in Commission Order PSC-96-1320-FOF-WS, issued October 30, 1996.

Per Commission Rule 25-30.116(1)(c)3, F.A.C.,

Unless otherwise authorized by the Commission, the following projects may not be included in CWIP nor accrue AFUDC: Purchases of assets which are ready for service when acquired.

Per NARUC, National Association of Regulatory Utility Commissioners, Accounting Instructions 24A., Utility Plant – Land and Land Rights,

Do not include in the accounts for land, land rights, and rights of way costs incurred in connection with first clearing and grading of land and rights of way and the damage costs associated with the construction and installation of plant. Such costs shall be included in the appropriate plant accounts directly benefited.

Opinion: Per the following schedule, the utility's land value should be reduced by \$27,393 as shown below.

System No.	System Name	Amount Per Utility	Recommended Adjustment	Amount Per Audit	Reason
555	Carlton Village	\$5,217	\$1,134	\$6,351	Adjustment to Order
552	Fern Terrace	2,393	(1,613)	780	a.
326	Harmony Homes	1,667	(903)	764	f.
558	Hobby Hills	1,993	(1,423)	570	b.
573 W	Holiday Haven	306	(46)	260	Adjustment to Order
573 WW	Holiday Haven	122,428	(13,995)	108,433	c.
1802	Jungle Den	561	(301)	260	g.
553	Piney Woods	6,101	(4,234)	1,867	Adjustment to Order
574	Silver Lakes Est.	32	2,401	2,433	h. Adjustment to Order
551	Skycrest	1,661	(1,230)	431	Adjustment to Order
567 W	Venetian Village	4,403	(2,621)	1,782	d.
567 WW	Venetian Village	17,265	14	17,279	e.
566	Western Shores	4,576	(4,576)	-	h.
TOTAL:		\$168,603	(\$27,393)	\$141,210	

See notes on the following page.

Exception No. 9, continued

Notes:

Item	Description	Per Utility	Recom. Adj.	Per Audit	Reason
a.	Beg. Bal.	\$746	\$34	\$780	Order
	Addition	<u>1,647</u>	<u>(1,647)</u>	<u>0</u>	No Support
	<u>bal@06/30/04</u>	\$2,393	(\$1,613)	\$780	
b.	Beg. Bal.	\$540	\$30	\$570	Order
	Addition	<u>1,453</u>	<u>(1,453)</u>	<u>0</u>	No Support
	<u>bal@06/30/04</u>	\$1,993	(\$1,423)	\$570	
c.	Beg. Bal.	\$3,000	\$530	\$3,530	Order
	Addition	119,384	(14,525)	104,859	AFUDC
	Addition	<u>44</u>	<u>0</u>	<u>44</u>	
	<u>bal@06/30/04</u>	\$122,428	(\$13,995)	\$108,433	
d.	Beg. Bal.	\$1,753	\$29	\$1,782	Order
	Addition	<u>2,650</u>	<u>(2,650)</u>	<u>0</u>	No Support
	<u>bal@06/30/04</u>	\$4,403	(\$2,621)	\$1,782	
e.	Beg. Bal.	\$17,440	\$14	\$17,454	Order
	Reduction	<u>(175)</u>	<u>0</u>	<u>(175)</u>	
	<u>bal@06/30/04</u>	\$17,265	\$14	\$17,279	

- f. The above Order established a total land balance of \$964, comprised of \$764 water plant and \$200 general plant as of December 31, 1994.

The utility's water is overstated by \$903. In 1999, the utility removed \$1,088 from its general land balance and changed the water plant balance from \$764 to \$1,667.

The land should be reduced by \$903 (\$1,667 - \$764) as the utility did not buy any more land since the last above-mentioned Order that stated the land's value is to be \$764.

- g. The above Order established a total land balance of \$583, comprised of \$260 water plant and \$301 general plant as of December 31, 1994.

The utility's water is overstated by \$301. In 1999, the utility removed \$592 from its general land balance and changed the water plant balance from \$258 to \$561.

The land should be reduced by \$301 (\$561 - \$260) as the utility did not buy any further land since the last above-mentioned Order that stated the land's value is to be \$260.

- h. The above Order combined Silver Lakes Estates and Western Shores since they are interconnected. The combined amount was \$2,433 as of December 31, 1994, per the above Order.

Exception No. 10

Subject: Putnam County-Beecher's Point – Land and Land Rights

Statement of Fact: Florida Water Services Corporation (FWS) reflects a June 30, 2004, balance for Beecher's Point land of \$15,000 for water and \$25,338 for wastewater.

Opinion: The audit staff has found an error in the cost of the wastewater land addition in 2002. Account 353.30, Land and Land Rights, was increased by \$20,326 as part of Construction Project 98CC700. As part of our review, the audit staff asked the company why overhead appeared to be applied inconsistently among the accounts. The company response indicated that the overhead was applied at an incorrect rate. The audit staff's recalculation of this rate indicates that the cost of the land should be reduced by \$3,087.

In addition, FWS accrued allowance for funds used during construction (AFUDC) of \$1,225 on this land. The audit staff has reviewed the project, and it appears that the AFUDC may be appropriate. There are several engineering invoices in the package that refer to the following.

- Reuse modifications
- Modeling for proposed effluent drain fields
- Hydrogeologic assessments and redesign of underdrainage system for existing pecculation ponds

These appear to be reasonable reasons to maintain the land in a CWIP account and accrue AFUDC. Therefore, the audit staff recommends that the AFUDC be allowed for this project.

The audit staff recommends the wastewater land for Beecher's Point be reduced by \$3,087 to correct the overhead rate.

Exception No. 11

Subject: Washington County-Sunny Hills – Land and Land Rights

Statement of Fact: Land in the amount of \$1,530 (\$1,079 for water and \$451 for wastewater) was included as general plant in the MFRs for Sunny Hills in its rate case filing for Docket No. 950495-WS.

The utility never incorporated the above adjustments in its General Ledger as of June 30, 2004.

Opinion: The audit staff recommends that Account 303.5, Land and Land Rights, be increased by \$1,530 to recognize the land found in the MFRs and approved by the Commission in Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, for Docket No. 950495-WS.

Exception No. 12

Subject: Polk County–Lake Gibson - Construction-Work-in-Progress (CWIP)

Statement of Fact: The utility recorded \$4,578 in Lake Gibson water CWIP and \$120,051 in Lake Gibson wastewater CWIP. The utility was asked to provide supporting documentation for these construction projects that were apparently still in progress in June 2004. The company has not provided any supporting documentation. No construction projects were found when touring the plant.

Opinion: The utility has not been able to substantiate the balances of these accounts. Therefore, they should be removed.

Exception No. 13

Subject: Acquisition Adjustments

Statement of Fact: The utility's transfer application reflects multiple acquisition adjustment (AA) and accumulated amortization of AA balances as of June 30, 2004.

Rule 25-30.0371, F.A.C., states that an acquisition adjustment shall not be included in rate base absent proof of extraordinary circumstances.

Opinion: The utility's response to the audit staff's inquiries about the acquisition adjustment balances indicates that it inadvertently included unapproved amounts in its transfer filing.

The unapproved amounts, detailed below and on the following page, should be removed from the transfer application balances for this proceeding per the Commission rule cited above.

County	System	Number	Name	Acquisition Adjustment	Accumulated Amort. of AA
Brevard	Water	1701	Kingswood	\$10,082	(\$3,843)
Brevard	Water	1702	Oakwood	50,067	(20,072)
Highlands	Water	2401	Leisure Lakes	87,469	(32,783)
Highlands	W/Water	2401	Leisure Lakes	(45,098)	15,550
Lake	Water	555	Carlton Village	1,055	(1,306)
Lake	Water	557	East Lake Harris	8,628	(2,125)
Lake	Water	552	Fern Terrace	2,939	(1,209)
Lake	Water	556	Friendly Center	1,911	(538)
Lake	Water	575	Grand Terrace	(40,155)	9,817
Lake	Water	558	Hobby Hills	8,226	(2,251)
Lake	Water	573	Holiday Haven	30,847	(9,103)
Lake	W/Water	573	Holiday Haven	52,556	(20,280)
Lake	Water	570	Imperial MobileTerrace	26,299	(11,291)
Lake	Water	562	Morningview	5,196	(1,474)
Lake	W/Water	562	Morningview	9,242	(1,126)
Lake	Water	559	Palms MH Park	8,699	(2,350)
Lake	Water	564	Piccola Island	17,960	554
Lake	Water	553	Piney Woods	(29,294)	7,962
Lake	Water	578	Quail Ridge	(108,125)	30,861
Lake	Water	574	Silver Lake Estate	131,538	(52,310)
Lake	Water	551	Skycrest	4,711	(1,462)
Lake	Water	565	Stone Mountain	562	(96)
Lake	Water	554	Valencia Terrace	(2,990)	710
Lake	W/Water	554	Valencia Terrace	(15,938)	3,784
Lake	Water	567	Venetian Village	(15,435)	10,301
Lake	W/Water	567	Venetian Village	(9,802)	12,352
Lake	Water	566	Western Shores	(5,992)	(13,949)
Orange	Water	130	Tangerine	129,006	(12,898)

Exception No. 13, continued

County	System	Number	Name	Acquisition Adjustment	Accumulated Amortization of AA
Pasco	Water	1429	Palm Terrace	\$386,864	(158,480)
Pasco	W/Water	1429	Palm Terrace	(283,306)	115,211
Pasco	Water	1427	Zephyr Shores	30,620	(12,475)
Pasco	W/Water	1427	Zephyr Shores	61,586	(25,106)
Polk	Water	215	Gibsonia Estates	47,033	(7,367)
Polk	Water	210	Lake Gibson	3,202	(1,686)
Polk	W/Water	210	Lake Gibson	3,188	(1,676)
Polk	Water	212/214	Orange Hill/Sugar Creek	1,555	(859)
Putnam	Water	472	Beecher's Point	2,578	(1,668)
Putnam	W/Water	472	Beecher's Point	(5,640)	1,564
Putnam	Water	438	Hermits Cove	3,285	(1,752)
Putnam	Water	470	Interlachen Estates	(1,188)	1,284
Putnam	Water	440	Palm Port	(111)	(12,265)
Putnam	W/Water	440	Palm Port	(14,753)	(23,553)
Putnam	W/Water	444	Park Manor	(18,050)	9,292
Putnam	Water	443	Pomona Park	(22,728)	6,318
Putnam	Water	442	River Grove	415	1,195
Putnam	Water	448	Saratoga Harbour	4,220	(2,210)
Putnam	Water	473	Silver Lake Oaks	(22,516)	6,087
Putnam	W/Water	473	Silver Lake Oaks	(2,962)	396
Putnam	Water	471	St. John's Highlands	465	80
Putnam	Water	447	Welaka	4,005	(2,267)
Putnam	Water	446	Wootens	3,607	(1,847)
Seminole	W/Water	340	Fla. Central Commerce	41,452	(16,609)
Seminole	Water	326	Harmony Homes	(3,094)	1,300
Seminole	Water	1802	Jungle Den	6,371	(3,155)
Seminole	W/Water	1802	Jungle Den	28,057	(10,909)
Seminole	Water	1808	Tomoka/Twin Rivers	31,870	(3,585)
Washington	Water	2801	Sunny Hills	(188,733)	48,840
Washington	W/Water	2801	Sunny Hills	(78,973)	20,435
Total Balance to Remove				<u>\$332,481</u>	<u>(\$174,044)</u>

Exception No. 14

Subject: Volusia County-Tomoka - CIAC and Amortization of CIAC

Statement of Fact: Commission Order PSC-00-1659-PAA-WU, issued September 18, 2000, established CIAC and accumulated amortization of CIAC of \$46,878 and \$30,042, respectively, as of December 21, 1999. The utility's General Ledger shows a CIAC and amortization of CIAC balance of \$0 as of December 21, 1999, the date of the acquisition.

Opinion: The utility's CIAC balance does not reconcile with the Commission-approved CIAC balance. The utility should increase the CIAC balance by \$46,878, the amount approved in the above-mentioned Commission Order.

The audit staff calculated accumulated amortization of CIAC from December 21, 1999 until June 30, 1999, using annual composite rates to be \$35,795. The utility should increase the accumulated amortization of CIAC balance by \$35,795 (\$30,042 + \$5,753) based on the following:

<u>Amount</u>	<u>Description</u>
\$30,042	Represents the adjustment per the above-mentioned Commission Order.
<u>\$5,753</u>	Represents the accumulated amortization of CIAC from Dec. 21, 1999 until June 30, 2004.
\$35,795	

Exception No. 15

Subject: Pasco County Zephyr Shores - Wastewater Accumulated Depreciation

Statement of Fact: The audit staff attempted to reconcile the wastewater accumulated depreciation from the 1994 rate filing to the 1994 General Ledger. The company made adjustments in 1999 to correct these differences. However, differences still existed in Accounts 360.2, 371.3, and 380.4. The MFR filing balances were less than the General Ledger balances.

Acct. No.	Description	Difference between G/L and Filing	Utility Adjustment	Difference
360.2	Collection Sewers - Force	\$5,099	(\$1,700)	\$3,399
371.3	Pumping Equipment	8,687	(1,220)	7,467
380.4	Treatment & Disposal	<u>1,525</u>	<u>(763)</u>	<u>762</u>
Totals		\$15,311	(\$3,683)	\$11,628

Opinion: Accumulated depreciation should be debited by \$11,628 to correct beginning balances to Order No. PSC-96-1320-FOF-WS, issued October 30, 1996.

Exception No. 16

Subject: Polk County - Accumulated Depreciation

Statement of Fact: The company could not provide supporting documentation from its Polk County rate case that shows the test year, the filing balances, or the adjustments made by the county. The Resolution of the Polk County Board of Polk County Commissioners was issued June 27, 1989. The resolution only shows the balances that were approved but not what period they relate to. **The resolution may use average balances.** The amounts according to the resolution for accumulated depreciation and the General Ledger balances at December 31, 1988, follow.

<u>Accumulated Depreciation</u>	<u>Polk County Order</u>	<u>General Ledger Balance</u>	<u>Difference</u>
Lake Gibson Water	(\$98,082)	(\$104,632)	(\$6,550)
Lake Gibson W/Water	(\$79,316)	(\$59,719)	\$19,597
Gibsonia Estates	(\$39,986)	(\$532)	\$39,454

Orange Hill and Sugar Creek’s utilities were also regulated by Polk County. The company was able to provide the supporting documentation for the rate case. The accumulated depreciation balances from the filing were agreed to the General Ledger.

Polk County was not included in the 1995 rate case with this Commission because the Polk County Commission was regulating water and wastewater utilities at that time.

In 1999, the company made entries called “95 rate case adjustments.” In Lake Gibson, accumulated depreciation water was debited for \$10,768 and wastewater for \$4,554, and for Gibsonia Estates, accumulated depreciation was credited by \$42,111 for these rate case adjustments. Orange Hill and Sugar Creek were debited for \$3,495 for these rate case adjustments.

The company claims it used the depreciation rates approved in the 1995 rate case and applied them to the Polk County plants even though they were not regulated by the Florida Public Service Commission. The company has not provided the calculations of how it arrived at the numbers used.

Opinion: The company has not provided supporting documentation for the rate case adjustments other than the entries themselves. Based on the 1988 balance, the resolution showed accumulated depreciation for Lake Gibson water at a balance lower than the 1988 balances, but wastewater in the resolution was higher. The company debits to accumulated depreciation which decrease the reserve do not agree with the resolution. Although the Gibsonia accumulated depreciation in the resolution is higher than the General Ledger and the amount credited does increase accumulated depreciation by a similar amount, the audit staff does not know if the Polk County balance contained pro forma balances. Since there is no support for these 1999 adjustments, they should be removed.

Exception No. 17

Subject: Polk County - Gibsonia Estates 1999 Depreciation Entry

Statement of Fact: The utility made an entry to accumulated depreciation for Gibsonia Estates in 1999 that debited accumulated depreciation by \$47,540. The entry in the General Ledger was called Postmaster Asset Retirement. There were no corresponding retirements to plant-in-service for these adjustments to accumulated depreciation. The credit part of the entry was made to Postmaster Village which is in Clay County and not a part of this proceeding.

Opinion: Since there were no retirements to plant for these amounts, this adjustment should be removed from accumulated depreciation by crediting the Gibsonia accumulated depreciation by \$47,540. The detail account information follows:

GIBSONIA ESTATES

Acct. No.		UPIS Retired	Acc. Dep. Retired	Retirement Postmaster
302.1	Franchises	(\$4)	\$4	\$0
304.2	Structures & Improvements	(4,425)	4,425	0
304.3	Structures & Improvements	(47)	1,806	1,759
304.4	Structures & Improvements	(0)	1	1
305.2	Collecting & Impounding St	(12)	700	689
307.2	Wells & Springs	(239)	250	11
309.2	Supply Mains	0	28	28
310.2	Power Generation Equipment	(880)	5,003	4,122
311.2	Pumping Equipment	(2,346)	23,813	21,467
311.3	Pumping Equipment	(388)	388	0
320.3	Water Treatment Equipment	(678)	12,640	11,963
330.4	Dist. Reservoirs & Standpip	(171)	803	632
334.4	Meters & Meter Installation	(0)	29	29
335.4	Hydrants	(13)	574	561
339.1	Other Plant	(1,000)	1,000	0
339.2	Other Plant	30	57	87
339.4	Other Plant	<u>1</u>	<u>114</u>	<u>115</u>
Total Water		(\$10,172)	\$51,634	\$41,462
304.5	Structures & Improvements	(362)	444	82
340.5	Office Furniture	(2,346)	6,608	4,262
342.5	Stores Equipment	(1)	38	37
343.5	Tools, Shop & Garage	(213)	1,620	1,407
344.5	Laboratory Equipment	(1)	43	42
345.5	Power Operated Equipment	(4)	253	248
346.5	Communication Equipment	(168)	168	0
347.5	Miscellaneous Equipment	(15)	15	0
348.5	Other Tangible equipment	<u>(9)</u>	<u>9</u>	<u>0</u>
Total Common		(\$3,119)	\$9,197	\$6,078
Grand Total		<u>(\$13,291)</u>	<u>\$60,831</u>	<u>\$47,540</u>

Exception No. 18

Subject: Extraordinary Abandonment

Statement of Fact: The utility made several adjustments in 1999 that reclassified assets, retired assets and transferred debit accumulated depreciation balances to an extraordinary retirement account. The adjustments are based on an inventory and valuation by an independent party. These adjustments are discussed in more detail in Disclosure No. 1 of this report.

The entries reduced plant for retired assets but created several debit balances in accumulated depreciation. Some of these debit balances were removed and transferred to an extraordinary abandonment account. The NARUC Chart of Accounts requires prior Commission approval to use this account. The utility did not receive it. In 2003, the utility transferred the items from the extraordinary abandonment account back to the accumulated depreciation account in Accounts Nos. 108.339.2, Water Other Plant & Miscellaneous Equipment, and 108.389.2, Wastewater Other Plant & Miscellaneous Equipment.

Opinion: This utility's journal entries discussed above are violations of the NARUC USOA and should not be included in rate base based on the following audit staff determinations.

1. The NARUC Chart of Accounts requires prior Commission approval to use this account. The utility did not receive it. In 2003, the utility transferred the balance from its extraordinary abandonment account back to its water and wastewater accumulated depreciation accounts as detailed above.
2. The resulting gain or loss from an extraordinary abandonment is an income item and the NARUC Uniform System of Accounts (USOA) directs that it be placed in either Account No. 433 or 434, depending on whether it is a gain or loss.
3. The USOA further directs that items placed in these accounts are only entered "Upon approval of the regulatory authority . . ." The Commission has not approved or even considered this extraordinary item.

Because the utility could not provide supporting documentation for these entries, the audit staff could not determine the validity of the depreciation related to these assets or why they had not been fully depreciated or even existed before. Therefore, these debits to accumulated depreciation that follow should be removed for each system indicated.

Exception No. 18, continued

Brevard	Kingswood	1701	Water	01.1081.3392	\$2,058
Brevard	Oakwood	1702	Water	01.1081.3392	3,859
Highlands	Leisure Lakes	2401	Water	01.1081.3392	(9,911)
Highlands	Leisure Lakes	2401	W/Water	02.1081.3392	(9,911)
Lake	Carlton Village	555	Water	01.1081.3392	3,189
Lake	East Lake Harris	557	Water	01.1081.3392	5,729
Lake	Fern Terrace	552	Water	01.1081.3392	9,031
Lake	Friendly Center	556	Water	01.1081.3392	890
Lake	Grand Terrace	575	Water	01.1081.3392	2,822
Lake	Hobby Hills	558	Water	01.1081.3392	4,374
Lake	Holiday Haven	573	Water	01.1081.3392	10,908
Lake	Holiday Haven	573	W/Water	02.1081.3892	10,908
Lake	Imperial MobileTerrace	570	Water	01.1081.3392	1,963
Lake	Morningview	562	Water	01.1081.3392	805
Lake	Morningview	562	W/Water	02.1081.3392	805
Lake	Palms MH Park	559	Water	01.1081.3392	2,185
Lake	Piccola Island	564	Water	01.1081.3392	6,076
Lake	Piney Woods	553	Water	01.1081.3392	5,330
Lake	Quail Ridge	578	Water	01.1081.3392	0
Lake	Silver Lake Estate	574	Water	01.1081.3392	(871)
Lake	Skycrest	551	Water	01.1081.3392	10,544
Lake	Stone Mountain	565	Water	01.1081.3392	112
Lake	Valencia Terrace	554	Water	01.1081.3392	(174)
Lake	Velencia Terrace	554	W/Water	02.1081.3892	(174)
Lake	Venetian Village	567	Water	01.1081.3392	(1,858)
Lake	Venetian Village	567	W/Water	02.1081.3892	(1,858)
Lake	Western Shores	566	Water	01.1081.3392	503
Orange	Tangerine	130	Water	01.1081.3392	1,912
Pasco	Palm Terrace	1429	Water	01.1081.3392	18,257
Pasco	Palm Terrace	1429	W/Water	02.1081.3392	18,257
Pasco	Zephyr Shores	1427	Water	01.1081.3392	18,096
Pasco	Zephyr Shores	1427	W/Water	02.1081.3392	18,096
Polk	Gibsonia Estates	215	Water	01.1081.3392	17,945
Polk	Lake Gibson	210	Water	01.1081.3392	24,151
Polk	Lake Gibson	210	W/Water	02.1081.3392	24,151
Polk	Orange Hill/Sugar Creek	212/214	Water	01.1081.3392	18,649
Putnam	Beecher's Point	472	Water	01.1081.3392	5,668
Putnam	Beecher's Point	472	W/Water	02.1081.3392	5,668
Putnam	Hermits Cove	438	Water	01.1081.3392	1,748
Putnam	Interlachen Estates	470	Water	01.1081.3392	7,079
Putnam	Palm Port	440	Water	01.1081.3392	3,125
Putnam	Palm Port	440	W/Water	02.1081.3392	3,125
Putnam	Park Manor	444	W/Water	02.1081.3392	4,814
Putnam	Pomona Park	443	Water	01.1081.3392	5,141

253,215.43

Exception No. 18, continued

County	System Name/Number/Type			Acct. No.	Amount
Putnam	River Grove	442	Water	01.1081.3392	687
Putnam	Saratoga Harbour	448	Water	01.1081.3392	6,777
Putnam	Silver Lake Oaks	473	Water	01.1081.3392	3,457
Putnam	Silver Lake Oaks	473	W/Water	02.1081.3392	3,457
Putnam	St. John's Highlands	471	Water	01.1081.3392	8,245
Putnam	Welaka	447	Water	01.1081.3392	4,889
Putnam	Wootens	446	Water	01.1081.3392	734
Seminole	Fla. Central Commerce	340	W/Water	02.1081.3392	1,694
Seminole	Harmony Homes	326	Water	01.1081.3392	5,738
Volusia	Jungle Den	1802	Water	01.1081.3392	9,112
Volusia	Jungle Den	1802	W/Water	02.1081.3392	9,112
Volusia	Tomoka/Twin Rivers	1808	Water	01.1081.3392	0
Washington	Sunny Hills	2801	Water	01.1081.3392	635
Washington	Sunny Hills	2801	W/Water	02.1081.3392	635
Total Adjustment					<u>\$308,388</u>

Exception No. 19

Subject: Orange County-Tangerine - Accumulated Amortization of CIAC

Statement of Fact: Commission Order PSC-99-1399-PAA-WU, issued July 21, 1999, established accumulated amortization of CIAC balance of \$23,614 as of December 31, 1998. The utility's General Ledger shows an accumulated amortization of CIAC balance of \$23,791 as of March 30, 2000. The utility did not have any amortization records between the period of December 31, 1998 and March 1, 2000, the date of the acquisition.

Opinion: Accumulated amortization of CIAC was determined from December 31, 1998 to March 30, 2000, using annual composite rates, to be \$26,623. The utility should increase the accumulated amortization of CIAC balance by \$2,832 ($\$26,623 - \$23,791$) to reconcile to the above-mentioned Commission Order.

Exception No. 20

Subject: Washington County-Sunny Hills - Accumulated Amortization of CIAC

Statement of Fact: The utility's MFR filing in Docket No. 950495-WS included adjustments to accumulated amortization of CIAC that reduced the water balance of Sunny Hills by \$2,006 and increased its wastewater balance by \$170.

The utility never incorporated the above adjustments in its General Ledger as of June 30, 2004.

Opinion: The audit staff recommends that accumulated amortization of CIAC be reduced by \$2,066 for water and increased by \$170 for wastewater as indicated above and approved by the Commission in Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, for Docket No. 950495-WS.

Exception No. 21

Subject: Pasco County-Zephyr Shores - Wastewater Extraordinary Abandonment

Statement of Fact: The utility demolished the wastewater treatment plant at Zephyr Shores and connected to the county treatment system. In October 2001, it recorded an extraordinary abandonment in Account 182, Extraordinary Property Losses. The NARUC Chart of Accounts states:

When authorized or directed by the Commission, this account shall include extraordinary losses, net of income taxes on property abandoned or otherwise retired from service which are not provided for by accumulated depreciation or amortization and which could not reasonably have been foreseen and provided for.

The company has not requested approval of the Commission for use of the Extraordinary Abandonment account.

The utility credited accumulated depreciation for the cost of the plant retired and the cost of removal. The accumulated depreciation accounts that had debit balances were charged to extraordinary abandonment except accumulated depreciation for Account 370.2, Receiving Wells, which was left with a debit balance of \$24,845. The utility did not record any salvage. The company did transfer some items, blower and pumps, from the plant to its spare parts inventory to be used at other plants. The total the utility valued the plant transferred was \$72,933.

The utility has amortized Account 182, Extraordinary Abandonment, over 18 years and has expensed 30 months of the amortization or 2½ years. Rule 24-30.433(9), F.A.C., provides a formula to determine the number of years the abandonment should be amortized.

Opinion: The salvage of \$72,933 for the amount transferred to parts inventory should have been included in the calculation of the loss. The company should have used the actual accumulated depreciation related to the retired asset in the calculation. An invoice for cost of removal that was charged to plant-in-service for \$51,150 should be included in the calculation of loss.

The extraordinary abandonment according to the company was \$140,602. The amortization as of June 30, 2004, was \$12,367, leaving a net extraordinary abandonment of \$128,235, which is shown in the rate base schedule for Pasco County. Using the audit staff's calculation, the abandonment is \$42,068, and the amortization using the rule calculation amounts to \$29,350, leaving a net abandonment of \$12,719. The calculations by the company compared to the calculations by the audit staff and the differences between the two are as follows:

Exception No. 21, continued

<u>Description of General Journal Entry</u>	<u>Per Utility</u>	<u>Per Audit</u>	<u>Difference</u>
UPIS	(\$87,673)	(\$87,673)	\$0
Acc. Depreciation	(\$1,779)	\$23,821	\$25,601
Extraordinary Abandonment	\$89,452	\$63,851	(\$25,601)
To record extraordinary retirement of UPIS.			
Cash/Acc. Payable	(\$51,150)	(\$51,150)	\$0
Extraordinary Abandonment	\$51,150	\$51,150	\$0
To record the cost of removal for extraordinary retirement of UPIS.			
UPIS Inventory	\$0	\$72,933	\$72,933
Extraordinary Abandonment	\$0	(\$72,933)	(\$72,933)
To record salvage value of extraordinary retirement of UPIS.			
Retained Earnings	\$12,367	\$29,350	\$16,983
Accumulated Amortization	(\$12,367)	(\$29,350)	(\$16,983)
To record accumulated amortization of extraordinary abandonment balance as of June 30, 2004.			
Sum Check	\$0	\$0	\$0

<u>Acct. No.</u>	<u>Description</u>	<u>Per Utility</u>		<u>Per Audit</u>	
		<u>UPIS</u>	<u>Acc/Dep</u>	<u>UPIS</u>	<u>Acc/Dep</u>
354.4	Structures & Improvements	\$3,381	(\$1,276)	\$3,381	(\$1,276)
354.5	Structures & Improvements	12,570	(984)	12,570	(984)
364.3	Flow Measuring Devices	1,064	(751)	1,064	(751)
370.3	Receiving Wells	44,002	(44,002)	44,002	(19,157)
380.4	Treatment & Disposal	<u>26,655</u>	<u>48,792</u>	<u>26,655</u>	<u>(1,654)</u>
	Amounts to retire	\$87,673	\$1,779	\$87,673	(\$23,821)

Exception No. 21, continued

The amortization computed using the rule is as follows:

Years to Amortize per Rule 24-30.433(9), F.A.C.	
Net Loss on Abandonment	(\$42,068)
Divided by the sum of:	
Depreciation Expense	\$5,303
Return on Plant	<u>6,347</u>
Total/Years	\$11,650 3.61 Years
<hr/>	
UPIS	\$87,673
Acc. Depreciation	<u>(23,821)</u>
Net Investment Before Retirement	63,851
Rate of Return from last Rate Order	<u>9.94%</u>
Return on UPIS	\$6,347
<hr/>	
Net Loss on Abandonment	\$42,068
Divided by 43 months (Approximately 3.61 years)	(978)
Times 30 months for period 12/2001 - 06/2004	(\$29,350)
Amortization per utility for period 12/2001 - 06/2004	<u>(12,367)</u>
Difference	(\$16,983)

According to the rule, the abandonment should have been amortized over 3.61 years instead of 18 years. The following adjustments should be made to correct the company's entries:

	<u>Debit</u>	<u>Credit</u>
Inventory	\$72,933	
Extraordinary Abandonment		\$72,933
To record items salvaged from plant and moved into the utility's general inventory.		
Accumulated Depreciation	\$25,601	
Extraordinary Abandonment		\$25,601
To transfer all depreciation related to the assets to the abandonment account.		
Accumulated Amortization of Extraordinary Abandonment	\$16,983	
Extraordinary Abandonment		\$16,983
To change amortization from 18 years to 5 years.		

Exception No. 22

Subject: Polk County-Lake Gibson - Wastewater Extraordinary Abandonment

Statement of Fact: The utility demolished the wastewater treatment plant at Lake Gibson and connected to the county treatment system. In December 2001, it recorded an extraordinary abandonment in Account 182, Extraordinary Property Losses. The NARUC Chart of Accounts states:

When authorized or directed by the Commission, this account shall include extraordinary losses, net of income taxes on property abandoned or otherwise retired from service which are not provided for by accumulated depreciation or amortization and which could not reasonably have been foreseen and provided for.

The company has not requested approval of the Commission for use of the extraordinary abandonment account.

The utility credited accumulated depreciation for the cost of the plant retired and the cost of removal. The accumulated depreciation accounts that had debit balances were charged to extraordinary abandonment except accumulated depreciation for Account 381.4, Plant Sewers, which was left with a debit balance of \$21,662. The utility did not record any salvage. The company did transfer some items from the plant to its spare parts inventory to be used at other plants. According to an e-mail from the company, the total the utility valued the plant transferred at was \$103,111.

The utility incurred invoiced and accrued overhead costs of \$91,632 to demolish the abandoned wastewater treatment facility as of December 2001, which it recorded to accumulated depreciation.

The utility has amortized the Account 182, Extraordinary Abandonment, over 18 years and has expensed 30 months of the amortization or 2½ years. Rule 25-30.433(9). F.A.C., provides a formula to determine the number of years the abandonment should be amortized.

Opinion: The salvage of \$103,111 for the amounts transferred to parts inventory should have been included in the calculation of the loss. The company should have used the actual accumulated depreciation related to the retired assets in the calculation of \$241,542 instead of the company amount of \$171,571 (\$518,055 - \$346,484). An invoice for cost of removal that was charged to UPIS for \$11,220 should be removed and included in the calculation of the loss as well as the \$91,632 of demolition cost mentioned above.

The extraordinary abandonment according to the company was \$346,484. The amortization as of June 30, 2004, was \$47,901, leaving a net extraordinary abandonment of \$298,583. The net of \$298,583 is shown in the rate base schedule for Polk County. Using the audit staff's calculation, the abandonment is \$276,255, and the amortization using the rule calculation amounts to \$138,127, leaving a net abandonment of \$138,127. The calculation by the company compared to the calculation by the audit staff and the differences between the two are follows:

Exception No. 22, continued

<u>Description of General Journal Entry</u>	<u>Per Utility</u>	<u>Per Audit</u>	<u>Difference</u>
UPIS	(\$518,055)	(\$518,055)	\$0
Acc. Depreciation	\$518,055	\$241,542	(\$276,514)
Acc. Depreciation	(\$346,484)	\$0	\$346,484
Extraordinary Abandonment	\$346,484	\$276,514	(\$69,971)
To record extraordinary retirement of UPIS.			
UPIS	\$11,220	\$0	(\$11,220)
Acc. Depreciation	\$91,632	\$0	(\$91,632)
Cash/Acc. Payable	(\$102,852)	(\$102,852)	\$0
Extraordinary Abandonment	\$0	\$102,852	\$102,852
To record the cost of removal for extraordinary retirement of UPIS.			
UPIS Inventory	\$0	\$103,111	\$103,111
Extraordinary Abandonment	\$0	(\$103,111)	(\$103,111)
To record salvage value of extraordinary retirement of UPIS.			
Retained Earnings	\$47,901	\$138,127	\$90,226
Accumulated Amortization	(\$47,901)	(\$138,127)	(\$90,226)
To record accumulated amortization of extraordinary abandonment balance as of June 30, 2004.			
Sum Check	\$0	\$0	\$0

The amortization computed using the rule is as follows:

<u>Years to Amortize per Rule 24-30.433(9), F.A.C.</u>	
Net Loss on Abandonment	(\$276,255)
Divided by the sum of:	
Depreciation Expense	\$27,829
Return on Plant	<u>27,485</u>
Total/Years	\$55,315 5 Years
UPIS	\$518,055
Acc. Depreciation	<u>(241,542)</u>
Net Investment Before Retirement	276,514
Rate of Return from last Rate Order	<u>9.94%</u>
Return on UPIS	\$27,485
Net Loss on Abandonment	\$276,255
Divided by 5 years per calculation above	(55,251)
Times 2.5 years for period 12/2001 - 06/2004	(\$138,127)
Amortization per utility for period 12/2001 - 06/2004	<u>(47,901)</u>
Difference	(\$90,226)

Exception No. 22, continued

According to the rule, the abandonment should have been amortized over five years instead of 18 years. The following journal entries should be made to correct these amounts:

	<u>Debit</u>	<u>Credit</u>
Inventory	\$103,111	
Extraordinary Abandonment		\$103,111
To record items salvaged from plant and moved into the utility's general inventory.		
Extraordinary Abandonment	\$11,220	
UPIS		\$11,220
To transfer cost of removal that was charged to UPIS instead of abandonment.		
Accumulated Depreciation	\$69,971	
Extraordinary Abandonment		\$69,971
To transfer all depreciation related to the assets to the abandonment account.		
Extraordinary Abandonment	\$91,632	
Accumulated Depreciation		\$91,632
To transfer cost of removal that was charged to accumulated depreciation to the abandonment.		
Retained Earnings	\$90,226	
Accumulated Amortization		\$90,226
To change amortization from 18 years to 5 years.		

An additional utility retirement in 2002 to Account 380.4, Treatment and Disposal Equipment, that the audit staff feels should have been recorded as an extraordinary abandonment is discussed in detail in Disclosure No. 4 of this report. The retirement created a large debit balance in accumulated depreciation that remains as of the transfer date of June 30, 2004.

Exception No. 23

Subject: Other Regulatory Assets – FPSC Surcharge

Statement of Fact: The utility's transfer application reflects the following FPSC surcharge balances for the indicated systems as of June 30, 2004.

Brevard	Kingswood	1701	W	\$1,860	Lake	Venetian Village	567	W/S	\$13,416
Brevard	Oakwood	1702	W	6,265	Lake	Western Shores	566	W	10,501
Highlands	Leisure Lakes	2401	W/S	33,740	Pasco	Palm Terrace	1429	W/S	146,956
Lake	Carlton	555	W	5,435	Pasco	Zephyr Shores	1427	W/S	69,375
Lake	East Lake Harris Estates	557	W	5,398	Putnam	Beecher's Point	472	W	7,224
Lake	Fern Terrace	552	W	3,790	Putnam	Hermits Cove	438	W/S	5,331
Lake	Friendly Center	556	W	743	Putnam	Interlachen Lakes	470	W	6,744
Lake	Grand Terrace	575	W	3,326	Putnam	Palm Port	440	W/S	14,082
Lake	Hobby Hills	558	W	2,921	Putnam	Park Manor	444	S	4,750
Lake	Holiday Haven	573	W/S	14,653	Putnam	Pomona Park	443	W	5,533
Lake	Imperial Mobile Terrace	570	W	7,291	Putnam	River Grove	442	W	3,143
Lake	Morningview	562	W/S	5,180	Putnam	Saratoga Harbor	448	W	1,342
Lake	Palms MH Park	559	W	1,834	Putnam	Silver Lake Oaks	473	W/S	5,101
Lake	Picciola Island	564	W	4,085	Putnam	St. Johns Highlands	471	W	2,660
Lake	Piney Woods	553	W	5,098	Putnam	Welaka	447	W	2,864
Lake	Quail Ridge	578	W	997	Putnam	Wootens	446	W	666
Lake	Silver Lake Estate	574	W	42,655	Seminole	Fla. Central Comm. Park	340	S	35,472
Lake	Skycrest	551	W	3,598	Seminole	Harmony Homes	326	W	1,806
Lake	Valencia Terrace	554	W/S	47,394	Washington	Sunny Hills	2801	W/S	34,287
				Sum total of above amounts		<u>\$583,936</u>			

Order No. PSC-99-1794-WS, issued September 14, 1999, approved a surcharge relating to a settlement agreement regarding appeals from Docket No. 950495-WS. Pertinent elements of the Commission's finding were as follows.

1. The surcharge was to be booked and treated as a regulatory asset.
2. No amortization of the regulatory asset would occur until it is included in a future rate proceeding.
3. The regulatory asset is transferable and is not subject to being revisited or reconsidered.
4. The total amount of the surcharge was calculated to be \$8,896,316, based on provisions contained in the above-mentioned Order. The utility's calculation was communicated to the Commission's Division of Water and Wastewater in a letter dated December 3, 1999.
5. The above balance was to be allocated to all of the Florida Water Services Corporation's utility systems included in Docket No. 950495-WS, based on their final average Equivalent Residential Connections (ERCs) as of December 31, 1996.

The utility calculated the above regulatory surcharges based on its average ERC calculation for each utility system as of October 31, 1999. The above surcharge balance of \$583,936 is considerably less than the amount calculated in Item No. 4 above because it only includes the surcharge balances for the utility system that are relevant to this transfer proceeding.

Exception No. 23, continued

The utility provided the audit staff with a revised surcharge calculation using the final average ERCs for each utility system as of December 31, 1996, as required in the above-mentioned Order.

Opinion: The utility's regulatory surcharge balances for its water and wastewater systems are understated by \$206,679 and overstated by \$178,586, respectively, based on the following audit staff calculations.

Utility System	Using 1999 Average ERCs			Using 1996 Average ERCs			Adjustment		
	Water	W/Water	Combined	Water	W/Water	Combined	Water	W/Water	Combined
Beecher's Point	\$2,903	\$4,321	\$7,224	\$5,298	\$2,221	\$7,519	\$2,395	(\$2,100)	\$295
Carlton Village	5,435	-na	5,435	8,219	-na	8,219	2,784	-na	2,784
East Lake Harris Estates	5,398	-na	5,398	9,804	-na	9,804	4,406	-na	4,406
Fern Terrace	3,790	-na	3,790	6,985	-na	6,985	3,195	-na	3,195
Fla. Central Commerce Park	-na	35,472	35,472	-na	8,169	8,169	-na	(27,303)	(27,303)
Friendly Center	743	-na	743	1,138	-na	1,138	395	-na	395
Grand Terrace	3,326	-na	3,326	6,137	-na	6,137	2,811	-na	2,811
Harmony Homes	1,806	-na	1,806	3,478	-na	3,478	1,672	-na	1,672
Hermits Cove	5,331	-na	5,331	9,629	-na	9,629	4,298	-na	4,298
Hobby Hills	2,921	-na	2,921	5,331	-na	5,331	2,410	-na	2,410
Holiday Haven	3,641	11,012	14,653	6,201	0	6,201	2,560	(11,012)	(8,452)
Imperial Mobile Terrace	7,291	-na	7,291	13,481	-na	13,481	6,190	-na	6,190
Interlachen Estates	6,744	-na	6,744	14,024	-na	14,024	7,280	-na	7,280
Jungle Den	3,439	12,728	16,167	6,243	6,492	12,735	2,804	(6,236)	(3,432)
Kingswood	1,860	-na	1,860	3,428	-na	3,428	1,568	-na	1,568
Leisure Lakes	7,673	26,067	33,740	13,435	12,688	26,123	5,762	(13,379)	(7,617)
Morning view	1,303	3,877	5,180	2,626	2,018	4,644	1,323	(1,859)	(536)
Oakwood	6,265	-na	6,265	11,555	-na	11,555	5,290	-na	5,290
Palm Port	3,089	10,993	14,082	5,883	5,888	11,771	2,794	(5,105)	(2,311)
Palm Terrace	36,544	110,412	146,956	67,173	57,199	124,372	30,629	(53,213)	(22,584)
Palms Mobile Home Park	1,834	-na	1,834	3,230	-na	3,230	1,396	-na	1,396
Park Manor	1,039	3,711	4,750	0	1,852	1,852	(1,039)	(1,859)	(2,898)
Piccola Island	4,085	-na	4,085	7,579	-na	7,579	3,494	-na	3,494
Piney Woods	5,098	-na	5,098	9,274	-na	9,274	4,176	-na	4,176
Pomona Park	5,533	-na	5,533	10,472	-na	10,472	4,939	-na	4,939
Quail Ridge	997	-na	997	972	-na	972	(25)	-na	(25)
River Grove	3,143	-na	3,143	5,777	-na	5,777	2,634	-na	2,634
Saratoga Harbour	1,342	-na	1,342	(Note 1)	-na	0	(1,342)	-na	(1,342)
Silver Lake Estates	42,655	-na	42,655	99,088	-na	99,088	56,433	-na	56,433
Silver Lake Oaks	1,128	3,973	5,101	1,585	1,488	3,073	457	(2,485)	(2,028)
Skycrest	3,598	-na	3,598	6,349	-na	6,349	2,751	-na	2,751
St. Johns Highlands	2,660	-na	2,660	4,667	-na	4,667	2,007	-na	2,007
Stone Mountain	253	-na	253	419	-na	419	166	-na	166
Sunny Hills	15,467	18,820	34,287	34,568	9,910	44,478	19,101	(8,910)	10,191
Valencia Terrace	11,163	36,231	47,394	21,401	21,539	42,940	10,238	(14,692)	(4,454)
Venetian Village	4,124	9,292	13,416	7,749	4,921	12,670	3,625	(4,371)	(746)
Welaka	2,864	-na	2,864	7,754	-na	7,754	4,890	-na	4,890
Western Shores	10,501	-na	10,501	(Note 2)	-na	0	(10,501)	-na	(10,501)
Wootens	666	-na	666	1,359	-na	1,359	693	-na	693
Zephyr Shores	<u>15,702</u>	<u>53,673</u>	<u>69,375</u>	<u>27,722</u>	<u>27,611</u>	<u>55,333</u>	<u>12,020</u>	<u>(26,062)</u>	<u>(14,042)</u>
Totals	\$243,354	\$340,582	\$583,936	\$450,033	\$161,996	\$612,029	\$206,679	(\$178,586)	\$28,093

1. Saratoga Harbor is included with the Welaka utility system.
2. Western Shores is included with the Silver Lake Estates utility system

Exception No. 24

Subject: Lake County – General Plant

Statement of Fact: Per the utility’s filing, general plant for Lake County was a net of \$79,250 as of June 30, 2004. Per the utility’s General Ledger, a breakdown of this amount is shown below.

<u>Account No.</u>	<u>Description</u>	<u>Item</u>	<u>Amount</u>
1010.3406	Office Furniture	Computer Hardware & Software	\$21,698
1010.3415	Transportation Equip.	Transportation Equipment	12,520
1010.3415	Transportation Equip.	Transportation Equipment	96,363
1081.3406	Reserve for Depreciation	Computer Hardware & Software	(21,698)
1081.3415	Reserve for Depreciation	Transportation Equipment	(29,633)
		Total	\$79,250

Opinion: The above items did not transfer to the new owner. Net plant-in-service as shown above should be reduced by \$79,250.

Disclosure No. 1

Subject: Physical Inventory

Statement of Fact: In early 1996, Florida Water Services Corporation (FWS) began an effort to institute a formal Fixed Asset Management “function” within Property Accounting. Based on documents received from the utility, this effort was due, in large part, to internal auditor concerns over accurate reporting of the utility’s asset base after several large utility system acquisitions (Deltona Utilities in 1989, Lehigh Utilities in 1991 and Orange-Osceola Utilities late in 1996). These acquisitions had produced extensive capital additions to the utility’s books at a time when new directives from NARUC were being handed down on how assets must be classified. To help solve the auditors’ concerns and to prepare for future changes, management decided to conduct a system-wide inventory and valuation of the entire plant-in-service. The utility hired outside consultants to assist in this endeavor and by letter dated November 30, 1999, the consultants delivered a report to the utility.

This report included a Plant Account Summary depicting the total assigned costs for each four-digit NARUC account grouped by plants and their respective facilities. This report can best be described as an Original Cost Study on 61 FWS plants. The utility then compared this report to its General Ledger accounts and made adjustments to equal the Original Cost Study. These adjustments were recorded to accomplish the following four objectives.

1. Remove or retire general utility plant assets that should have been recorded on the utility’s parent’s books.
2. Reclassify utility plant assets to the proper utility system or account.
3. Correct utility account balances for unrecorded utility assets.
4. Retire utility account balances to equal a physical inventory of all utility assets as of December 31, 1997.

Our main concern with these adjustments is the one to “retire” plant-in-service. The utility had difficulty finding this report and was able to provide it to the audit staff on January 11, 2005. The audit staff has had limited time to review this report. In addition, the report does not address many questions that the audit staff has regarding whether these adjustments are appropriate. It is the utility’s burden to justify the amounts in its application. The audit staff does not believe that the utility has met this burden, and the utility has indicated that there is no more information regarding this adjustment.

The audit staff does not believe it is good general policy to adjust books to an Original Cost Study. The Commission has established plant balances for FWS in prior Orders, and the utility should only adjust these balances for documented additions and retirements. However, according to the FWS report, the utility’s internal auditors had concerns about the asset accounting system. In addition, the physical inventory indicates plant balances significantly lower than those reported on the books. This difference may be attributed to plant retirements

Disclosure No. 1, continued

that were not made. It may also be attributed to differences in valuation of the plant assets using actual historical invoices and the Original Cost Study. The utility does not have any evidence to support either explanation.

The audit staff has reviewed the accounts that were adjusted by the retirement entry. Many of these adjustments reduced the plant balance to zero or a minimal amount. The audit staff believes that this may support the theory that the plant items should have been previously retired. The audit staff believes that if it is merely a calculation difference, the balances would be closer in value. In addition, the audit staff notes that the adjusted General Ledger balances equal the utility's tax return. Therefore, the audit staff believes that the retirement entry may be appropriate. A summary listing provided by the utility that details the entries made to UPIS, accumulated depreciation, CIAC, and accumulated amortization of CIAC, by system for the years 1998 through 2001 is provided on the following pages.

Disclosure No. 1, continued

1998 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Brevard	Kingswood	1702	-No adjustments noted-	-	-	-	-	-
Brevard	Oakwood	1701	-No adjustments noted-	-	-	-	-	-
Highlands	Leisure Lakes	2401	-No adjustments noted-	-	-	-	-	-
Lake	Carlton Village	555	-No adjustments noted-	-	-	-	-	-
Lake	E.Lk.Harris Est.	557	-No adjustments noted-	-	-	-	-	-
Lake	Fern Terrace	552	-No adjustments noted-	-	-	-	-	-
Lake	Friendly Center	556	-No adjustments noted-	-	-	-	-	-
Lake	Grand Terrace	575	-No adjustments noted-	-	-	-	-	-
Lake	Hobby Hills	558	-No adjustments noted-	-	-	-	-	-
Lake	Holiday Haven	573	-No adjustments noted-	-	-	-	-	-
Lake	Imperial Terrace	570	-No adjustments noted-	-	-	-	-	-
Lake	Morningview	562	-No adjustments noted-	-	-	-	-	-
Lake	Quail Ridge Est.	578	-No adjustments noted-	-	-	-	-	-
Lake	Palms MH Pk.	559	-No adjustments noted-	-	-	-	-	-
Lake	Picciola Island	564	-No adjustments noted-	-	-	-	-	-
Lake	Piney Woods	553	-No adjustments noted-	-	-	-	-	-
Lake	Silver Lake Est.	574	-No adjustments noted-	-	-	-	-	-
Lake	Skycrest	551	Retirements	(\$76,549.94)	\$76,290.06	\$3,133.32	(\$3,133.32)	(\$258.88)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	-	-	-	-
			Total Plant	(\$76,548.94)	\$76,290.06	\$3,133.32	(\$3,133.32)	(\$258.88)
Lake	Stone Mountain	565	-No adjustments noted-	-	-	-	-	-
Lake	Valencia Terrace	554	-No adjustments noted-	-	-	-	-	-
Lake	Venetian Village	567	-No adjustments noted-	-	-	-	-	-
Lake	Western Shores	566	-No adjustments noted-	-	-	-	-	-
Orange	Tangerine	130	-No adjustments noted-	-	-	-	-	-
Pasco	Palm Terrace	1429	-No adjustments noted-	-	-	-	-	-
Pasco	Zephyr Shores	1427	-No adjustments noted-	-	-	-	-	-
Polk	Gibsonia Estates	215	-No adjustments noted-	-	-	-	-	-
Polk	Lake Gibson	210	-No adjustments noted-	-	-	-	-	-
Polk	Orange Hill	214	-No adjustments noted-	-	-	-	-	-
Polk	Sugar Creek	212	-No adjustments noted-	-	-	-	-	-
Putnam	Beecher's Point	472	Retirements	(\$46,377.31)	\$46,374.84	\$6,087.59	(\$6,087.90)	(\$2.47)
			Rcls. Inven. Adj.	(1,454.28)	230.31	-	-	(1,223.97)
			Extra Abandonment	-	-	-	-	-
			Total Plant	(\$47,831.59)	\$46,605.15	\$6,087.59	(\$6,087.59)	(\$1,226.44)
Putnam	Hermits Cove	438	Retirements	(\$35,843.37)	\$35,407.32	\$2,290.39	(\$2,290.39)	(\$436.05)
			Rcls. Inven. Adj.	81,523.20	(22,809.14)	-	-	58,714.06
			Extra Abandonment	-	(1,780.91)	-	-	(1,780.91)
			Total Plant	\$45,679.83	\$10,817.27	\$2,290.39	(\$2,290.39)	\$56,497.10

Disclosure No. 1, continued

1998 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Putnam	Interlachen Lake	470	-No adjustments noted-	-	-	-	-	-
Putnam	Palm Port	440	Retirements				-	-
			Rcls. Inven. Adj.	(13,717.88)	3,991.85			(9,726.03)
			Extra Abandonment					
			Total Plant	(\$13,717.88)	\$3,991.85		-	(\$9,726.03)
Putnam	Park Manor	444	-No adjustments noted-	-	-	-	-	-
Putnam	Pomona Park	443	Retirements	(\$27,345.11)	\$26,908.65	\$4,673.16	(\$4,673.16)	(\$436.46)
			Rcls. Inven. Adj.	(54,234.72)	13,717.70		-	(40,517.02)
			Extra Abandonment	-	(6,383.79)		-	(6,383.79)
			Total Plant	(\$81,579.83)	\$34,242.56	\$4,673.16	(\$4,673.16)	(\$47,337.27)
Putnam	River Grove	442	Retirements	(\$24,777.91)	\$24,475.79	\$6,059.71	(\$6,059.71)	(\$302.12)
			Rcls. Inven. Adj.	(5,111.60)	3,121.17		-	(1,990.43)
			Extra Abandonment		(7,749.64)		-	(7,759.64)
			Total Plant	(\$29,889.51)	\$19,837.32	\$6,059.71	(\$6,059.71)	(\$10,052.19)
Putnam	Saratoga Harb.	448	Retirements	(\$41,986.28)	\$41,896.75	\$759.42	(\$759.42)	(\$89.53)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(8,602.52)		-	(8,602.52)
			Total Plant	(\$41,986.28)	\$33,294.23	\$759.42	(\$759.42)	(\$8,692.05)
Putnam	Silver Lake Oaks	473	Retirements	(\$3,693.86)	\$3,693.86	\$398.72	(\$398.72)	
			Rcls. Inven. Adj.		-			
			Extra Abandonment		0.46		-	0.46
			Total Plant	(\$3,693.86)	\$3,694.32	\$398.72	(\$398.72)	\$0.46
Putnam	St.John's Highld.	471	Retirements	(\$19,778.38)	\$19,575.14	\$1,851.31	(\$1,851.31)	(\$203.24)
			Rcls. Inven. Adj.				-	-
			Extra Abandonment		(9,803.41)		-	(9,803.41)
			Total Plant	(\$19,778.38)	\$9,771.73	\$1,851.31	(\$1,851.31)	(\$10,006.65)
Putnam	Welaka	447	Retirements	(\$18,560.50)	\$18,319.85	\$1,685.17	(\$1,685.17)	(\$240.65)
			Rcls. Inven. Adj.	(7,004.72)	1,748.11			(5,256.61)
			Extra Abandonment	-	(6,306.96)		-	(6,309.96)
			Total Plant	(\$25,565.22)	\$13,761.00	\$1,685.17	(\$1,685.17)	(\$11,804.22)
Putnam	Wooten	446	Retirements	(\$2,174.66)	\$2,128.85	\$505.84	(\$505.84)	(\$45.81)
			Rcls. Inven. Adj.				-	-
			Extra Abandonment		(673.99)		-	(673.99)
			Total Plant	(\$2,174.66)	\$1,454.86	\$505.84	(\$505.84)	(\$719.80)

Disclosure No. 1, continued

1998 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Seminole	FL Cnt.Com.Pk.	340	-No adjustments noted-	-	-	-	-	-
Seminole	Harmony Homes	326	-No adjustments noted-	-	-	-	-	-
Volusia	Jungle Den	1802	-No adjustments noted-	-	-	-	-	-
Volusia	Tomoka View	1808	-No adjustments noted-	-	-	-	-	-
Volusia	Twin Rivers	1809	-No adjustments noted-	-	-	-	-	-
Washington	Sunny Hills	2801	-No adjustments noted-	-	-	-	-	-

Disclosure No. 1, continued

1999 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Brevard	Kingswood	1702	Retirements	(\$24,356.22)	\$23,757.50	\$2,255.62	(\$2,255.62)	(\$598.72)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(3,636.80)	-	-	(3,636.80)
			Total Plant	(\$24,356.22)	\$20,120.70	\$2,255.62	(\$2,255.62)	(\$4,235.52)
Brevard	Oakwood	1701	Retirements	(\$6,859.03)	\$6,696.87	\$126.80	(\$126.80)	\$162.16
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(2,077.07)	-	-	(2,077.07)
			Total Plant	(\$6,859.03)	\$4,819.80	\$126.80	(\$126.80)	(\$2,239.23)
Highlands	Leisure Lakes	2401	Retirements	(\$26,744.73)	\$26,729.36	\$10,089.83	\$10,089.83	(\$15.37)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	25,020.38	-	-	25,020.38
			Total Plant	(\$26,744.73)	\$51,749.74	\$10,089.83	(\$10,089.83)	\$25,005.01
Lake	Carlton Village	555	Retirements	(\$25,445.20)	\$25,280.48	\$21,149.81	(\$21,149.81)	(\$164.72)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(4,155.67)	-	-	(4,155.67)
			Total Plant	(\$25,445.20)	\$21,123.81	\$21,149.81	(\$21,149.80)	(\$4,321.39)
Lake	E.Lk.Harris Ests.	557	Retirements	(\$49,384.05)	\$48,938.70	\$421.15	(\$421.15)	(\$445.35)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(7,699.43)	-	-	(7,699.43)
			Total Plant	(\$49,384.05)	\$41,239.27	\$421.15	(\$421.15)	(\$8,144.78)
Lake	Fern Terrace	552	Retirements	(\$31,063.97)	\$30,738.07	\$2,151.93	(\$2,151.93)	(\$325.90)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(11,918.28)	-	-	(11,918.28)
			Total Plant	(\$31,063.97)	\$18,819.79	\$2,151.93	(\$2,151.93)	(\$12,244.18)
Lake	Friendly Center	556	Retirements	(\$1,632.30)	\$1,576.79	\$391.20	(\$391.20)	(\$55.51)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(1,368.33)	-	-	(1,368.33)
			Total Plant	(\$1,632.30)	\$208.46	\$391.20	(\$391.20)	(\$1,423.84)
Lake	Grand Terrace	575	Retirements	(\$16,275.61)	\$16,275.63	\$511.69	(\$511.69)	\$0.02
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(3,666.67)	-	-	(3,666.67)
			Total Plant	(\$16,275.61)	\$12,608.96	\$511.69	(\$511.69)	(\$3,666.65)
Lake	Hobby Hills	558	Retirements	(\$32,330.51)	\$32,045.24	\$972.40	(\$972.40)	(\$285.27)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(5,745.52)	-	-	(5,745.52)
			Total Plant	(\$32,330.51)	\$26,299.72	\$972.40	(\$972.40)	(\$6,030.79)

Disclosure No. 1, continued

1999 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Lake	Holiday Haven	573	Retirements	(\$78,935.75)	\$77,882.46	\$9,681.04	(\$9,681.04)	(\$1,053.29)
			Rcls. Inven. Adj.	(4,030.45)	806.09	-	-	(3,224.36)
			Extra Abandonment	-	(57,867.58)	-	-	(57,867.58)
			Total Plant	(\$82,966.20)	\$20,820.97	\$9,681.04	(\$9,681.04)	(\$62,145.23)
Lake	Imperial Terrace	570	Retirements	(\$11,434.65)	\$11,364.61	\$19.80	(\$19.80)	(\$70.04)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(3,132.75)	-	-	(3,132.75)
			Total Plant	(\$11,434.65)	\$8,231.86	\$19.80	(\$19.80)	(\$3,202.79)
Lake	Morningview	562	Retirements	(\$15,255.64)	\$14,401.07	\$0.00	\$0.00	(\$854.57)
			Rcls. Inven. Adj.	-	-	600.75	(600.75)	-
			Extra Abandonment	-	(3,602.89)	-	-	(3,602.89)
			Total Plant	(\$15,255.64)	\$10,798.18	\$600.75	(\$600.75)	(\$4,457.46)
Lake	Ouail Ridge Ests	578	Retirements	(\$5,280.32)	\$5,280.32	\$514.43	(\$514.43)	\$0.00
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	-	-	-	-
			Total Plant	(\$5,280.32)	\$5,280.32	\$514.43	(\$514.43)	\$0.00
Lake	Palms MH Park	559	Retirements	(\$10,073.99)	\$9,907.23	\$132.53	(\$132.53)	(\$166.76)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(3,140.66)	-	-	(3,140.66)
			Total Plant	(\$10,073.99)	\$6,766.57	\$132.53	(\$132.53)	(\$3,307.42)
Lake	Picciola Island	564	Retirements	(\$38,584.36)	\$38,273.69	\$9,627.25	(\$9,627.25)	(\$310.67)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(8,548.60)	-	-	(8,548.60)
			Total Plant	(\$38,584.36)	\$29,725.09	\$9,627.25	(\$9,627.25)	(\$8,859.27)
Lake	Piney Woods	553	Retirements	(\$135,511.99)	\$135,061.17	\$6,742.62	(\$6,742.62)	(\$450.82)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(8,782.46)	-	-	(8,782.46)
			Total Plant	(\$135,511.99)	\$126,278.71	\$6,742.62	(\$6,742.62)	(\$9,233.28)
Lake	Silver Lake Ests	574	Retirements	(\$62,748.81)	\$61,416.68	\$31,106.63	(\$31,106.63)	(\$1,332.13)
			Rcls. Inven. Adj.	7,968.86	(1,593.77)	-	-	6,375.09
			Extra Abandonment	-	(7,306.74)	-	-	(7,306.74)
			Total Plant	(\$54,779.95)	\$52,516.17	\$31,106.63	(\$31,106.63)	(\$2,263.78)
Lake	Skycrest	551	Retirements	(\$1,762.71)	\$2,751.97	-	-	\$989.26
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(13,729.89)	-	-	(13,729.89)
			Total Plant	(\$1,762.71)	(\$10,977.92)	-	-	(\$12,740.63)

Disclosure No. 1, continued

1999 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Lake	Stone Mountain	565	Retirements	(\$1,260.36)	\$1,243.55	\$585.17	(\$585.17)	(\$16.81)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(331.80)	-	-	(331.80)
			Total Plant	(\$1,260.36)	\$911.75	\$585.17	(\$585.17)	(\$348.61)
Lake	Valencia Terrace	554	Retirements	(\$36,722.55)	\$36,722.55	\$3,116.78	(\$3,116.78)	\$0.00
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(793.37)	-	-	(793.37)
			Total Plant	(\$36,722.55)	\$35,929.18	\$3,116.78	(\$3,116.78)	(\$793.37)
Lake	Venetian Village	567	Retirements	(\$37,440.17)	\$36,966.60	\$12,956.23	(\$12,956.23)	(\$473.57)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	2,419.99	-	-	2,419.99
			Total Plant	(\$37,440.17)	\$39,386.59	\$12,956.23	(\$12,956.23)	\$1,946.42
Lake	Western Shores	566	Retirements	(\$57,532.75)	\$57,067.99	\$19,480.95	(\$19,480.95)	(\$464.76)
			Rcls. Inven. Adj.	-	(4,363.74)	-	-	(4,363.74)
			Extra Abandonment	-	(7,609.14)	-	-	(7,609.14)
			Total Plant	(\$57,532.75)	\$45,095.11	\$19,480.95	(\$19,480.95)	(\$12,437.64)
Orange	Tangerine	130	-No adjustments noted-	-	-	-	-	-
Pasco	Palm Terrace	1429	Retirements	(\$106,043.54)	\$103,322.18	\$12,984.62	(\$12,984.62)	(\$2,721.36)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(40,917.81)	-	-	(40,917.81)
			Total Plant	(\$106,043.54)	\$62,404.37	\$12,984.62	(\$12,984.62)	(\$43,639.17)
Pasco	Zephyr Shores	1427	Retirements	(\$265,967.81)	\$263,251.92	\$53,705.26	(\$53,705.26)	(\$2,715.89)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(43,866.46)	-	-	(43,866.46)
			Total Plant	(\$265,967.81)	\$219,385.46	\$53,705.26	(\$53,705.26)	(\$46,582.35)
Polk	Gibsonia Estates	215	Retirements	(\$13,325.22)	\$60,830.82	\$7,045.31	(\$7,045.31)	\$47,505.60
			Rcls. Inven. Adj.	-	396.58	-	-	396.58
			Extra Abandonment	-	(2,368.10)	-	-	(2,368.10)
			Total Plant	(\$13,325.22)	\$58,859.30	\$7,045.31	(\$7,045.31)	\$45,534.08
Polk	Lake Gibson	210	Retirements	(\$301,696.79)	\$298,827.47	\$36,105.02	(\$36,105.02)	(\$2,869.32)
			Rcls. Inven. Adj.	-	1,768.31	-	-	1,768.31
			Extra Abandonment	-	(68,274.20)	-	-	(68,274.20)
			Total Plant	(\$301,696.79)	\$232,321.58	\$36,105.02	(\$36,105.02)	(\$69,375.21)

Disclosure No. 1, continued

1999 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Polk	Orange Hill	214	Retirements	(\$25,529.05)	\$22,588.86	\$1,068.26	(\$1,068.26)	(\$2,946.19)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(9,260.82)	-	-	(9,260.82)
			Total Plant	(\$25,529.05)	\$13,328.04	\$1,068.26	(\$1,068.26)	(\$12,201.01)
Polk	Sugar Creek	212	Retirements	(\$28,472.80)	\$28,327.28	\$3,355.87	(\$3,355.87)	(\$145.52)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(13,202.79)	-	-	(13,202.79)
			Total Plant	(\$28,472.80)	\$15,124.49	\$3,355.87	(\$3,355.87)	(\$13,348.31)
Putnam	Beecher's Point	472	Retirements		\$0.00			
			Rcls. Inven. Adj.	(39,382.79)	8,111.56	-	-	(31,271.23)
			Extra Abandonment	-	(15,916.35)	-	-	(15,916.35)
			Total Plant	(\$39,382.79)	(\$7,804.79)	-	-	(\$47,187.58)
Putnam	Hermits Cove	438	-No adjustments noted-					-
Putnam	Interlachen Lake	470	Retirements	(\$19,775.21)	\$19,248.08	\$5,912.03	(\$5,912.03)	\$527.13
			Rcls. Inven. Adj.	10,685.66	(4,866.99)	(363.73)	211.47	5,666.41
			Extra Abandonment		(2,870.97)	-	-	(2,870.97)
			Total Plant	(\$9,089.55)	\$11,510.12	\$5,548.30	(\$5,700.56)	\$2,268.31
Putnam	Palm Port	440	Retirements	(\$50,872.77)	\$50,448.68	\$2,962.23	(\$2,962.23)	(\$424.09)
			Rcls. Inven. Adj.	1,610.02	(423.85)	-	-	1,186.17
			Extra Abandonment	-	(21,560.87)	-	-	(21,560.87)
			Total Plant	(\$49,262.75)	\$28,463.96	\$2,962.23	(\$2,962.23)	(\$20,798.79)
Putnam	Park Manor	444	Retirements	(\$18,421.53)	\$18,185.90	\$2.27	(\$2.27)	(\$235.63)
			Rcls. Inven. Adj.	(13,159.66)	5,592.67	363.73	(211.47)	(7,414.73)
			Extra Abandonment	-	(7,364.82)	-	-	(7,364.82)
			Total Plant	(\$31,581.19)	\$16,413.75	\$366.00	(\$213.74)	(\$15,015.18)
Putnam	Pomona Park	443	Retirements	-	\$0.00	-	-	\$0.00
			Rcls. Inven. Adj.	24,106.57	(3,185.59)	-	-	20,920.98
			Extra Abandonment					
			Total Plant	\$24,106.57	(\$3,185.59)	-	-	\$20,920.98
Putnam	River Grove	442	-No adjustments noted-		-	-	-	
Putnam	Saratoga Harb.	448	-No adjustments noted-	-	-	-	-	
Putnam	Silver Lake Oaks	473	-No adjustments noted-		-	-	-	
Putnam	St.John's Highld.	471	-No adjustments noted-		-	-	-	

Disclosure No. 1, continued

1999 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Putnam	Welaka	447	Retirements	-	-	-	-	-
			Rcls. Inven. Adj.	37,772.77	(7,687.71)	-	-	30,085.06
			Extra Abandonment	-	-	-	-	-
			Total Plant	\$37,772.77	(\$7,687.71)	-	-	\$30,085.06
Putnam	Wooten	446	-No adjustments noted-			-		
Seminole	FL Cnt. Com.Pk.	340	Retirements	(\$95,977.81)	\$95,977.81	\$28,396.11	(\$28,396.11)	
			Rcls. Inven. Adj.	8,777.58	(3,242.91)	-	-	5,534.67
			Extra Abandonment	-	(6,427.05)	-	-	(6,427.05)
			Total Plant	(\$87,200.23)	\$86,307.85	\$28,396.11	(\$28,396.11)	(\$892.38)
Seminole	Harmony Homes	326	Retirements	(\$32,244.58)	\$32,059.77	\$632.03	(\$632.03)	(\$184.81)
			Rcls. Inven. Adj.					
			Extra Abandonment	-	(7,672.16)	-	-	(7,672.16)
			Total Plant	(\$32,244.58)	\$24,387.61	\$632.03	(\$632.03)	(\$7,856.97)
Volusia	Jungle Den	1802	Retirements	(\$38,937.09)	\$38,624.86	\$9,142.34	(\$9,142.34)	(\$312.23)
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	(24,838.00)	-	-	(24,838.00)
			Total Plant	(\$38,937.09)	\$13,786.86	\$9,142.34	(\$9,142.34)	(\$25,150.23)
Volusia	Tomoka View	1808	-No adjustments noted-					
Volusia	Twin Rivers	1809	-No adjustments noted-					
Washington	Sunny Hills	2801	Retirements	(\$340,558.49)	\$340,558.49	\$7,435.27	(\$7,435.27)	
			Rcls. Inven. Adj.	3,465.43	(1,559.44)	-	-	1,905.99
			Extra Abandonment	-	(1,501.64)	-	-	(1,501.64)
			Total Plant	(\$337,093.06)	\$337,497.41	\$7,435.27	(\$7,435.27)	\$404.35

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Brevard	Kingswood	1702	Retirements					
			Rcls. Inven. Adj.		1,297.27			1,297.27
			Extra Abandonment		(149.26)			(149.26)
			Total Plant		\$1,148.01			\$1,148.01
Brevard	Oakwood	1701	Retirements					
			Rcls. Inven. Adj.					
			Extra Abandonment		(266.58)			(266.58)
			Total Plant		(\$266.58)			(\$266.58)
Highlands	Leisure Lakes	2401	Retirements				-	
			Rcls. Inven. Adj.		0.70		-	0.70
			Extra Abandonment		(766.18)		-	(766.18)
			Total Plant		(\$765.48)			(\$765.48)
Lake	Carlton Village	555	Retirements	(\$1,500.00)	\$1,500.00			
			Rcls. Inven. Adj.					
			Extra Abandonment		413.46			413.46
			Total Plant	(\$1,500.00)	\$1,913.46		-	\$413.46
Lake	E.Lk.HarrisEst	557	Retirements	(\$750.00)	\$750.00			
			Rcls. Inven. Adj.					
			Extra Abandonment		1,101.70			1,101.70
			Total Plant	(\$750.00)	\$1,851.70			\$1,101.70
Lake	Fern Terrace	552	Retirements					
			Rcls. Inven. Adj.					
			Extra Abandonment	-	1,176.54		-	1,176.54
			Total Plant		\$1,176.54			\$1,176.54
Lake	Friendly Cent.	556	Retirements					
			Rcls. Inven. Adj.		28.79			28.79
			Extra Abandonment		313.36			313.36
			Total Plant		\$342.15		-	\$342.15
Lake	Grand Terrace	575	Retirements					
			Rcls. Inven. Adj.					
			Extra Abandonment		217.91			217.91
			Total Plant		\$217.91			\$217.91
Lake	Hobby Hills	558	Retirements					
			Rcls. Inven. Adj.					
			Extra Abandonment		664.22			664.22
			Total Plant		\$664.22			\$664.22

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Lake	Holiday Haven	573	Retirements	\$45,881.41	(\$45,881.41)	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	30,994.84	-	-	30,994.84
			Total Plant	\$45,881.41	(\$14,886.57)	-	-	\$30,994.84
Lake	Imperial Terr.	570	Retirements	(\$2,054.06)	2,054.06	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	794.64	-	-	794.64
			Total Plant	(\$2,054.06)	2,848.70	-	-	794.64
Lake	Morningview	562	Retirements	-	-	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	2,391.44	-	-	2,391.44
			Total Plant	-	\$2,391.44	-	-	\$2,391.44
Lake	Quail Rdg.Est.	578	Retirements	(\$7,106.39)	\$7,106.39	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	-	-	-	-
			Total Plant	(\$7,106.39)	\$7,106.39	-	-	-
Lake	Palms MH Pk.	559	Retirements	(\$750.00)	\$750.00	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	609.27	-	-	609.27
			Total Plant	(\$750.00)	\$1,359.27	-	-	\$609.27
Lake	Picciola Island	564	Retirements	(\$710.20)	\$710.20	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	1,377.19	-	-	1,377.19
			Total Plant	(\$710.20)	\$2,087.39	-	-	\$1,377.19
Lake	Piney Woods	553	Retirements	-	-	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	2,584.44	-	-	2,584.44
			Total Plant	-	\$2,584.44	-	-	\$2,584.44
Lake	Silver Lk.Est.	574	Retirements	-	-	-	-	-
			Rcls. Inven. Adj.	-	-	-	-	-
			Extra Abandonment	-	2,124.77	-	-	2,124.77
			Total Plant	-	\$2,124.77	-	-	\$2,124.77

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Lake	Skycrest	551	Retirements				-	
			Rcls. Inven. Adj.		94.88		-	94.88
			Extra Abandonment				-	
			Total Plant		\$94.88			\$94.88
Lake	Stone Mount.	565	Retirements	-	-	-		
			Rcls. Inven. Adj.					
			Extra Abandonment		199.53			199.53
			Total Plant		\$199.53			\$199.53
Lake	Valencia Terr.	554	Retirements	(\$0.04)	\$0.04			
			Rcls. Inven. Adj.					
			Extra Abandonment	-	1,145.15			1,145.15
			Total Plant	(\$0.04)	\$1,145.19		-	\$1,145.15
Lake	Venetian Vill.	567	Retirements	-	-	-		
			Rcls. Inven. Adj.	-	-	-		
			Extra Abandonment		2,406.54			2,406.54
			Total Plant	-	\$2,406.54			\$2,406.54
Lake	Wstrn.Shores	566	Retirements					
			Rcls. Inven. Adj.		4,658.34			4,658.34
			Extra Abandonment		2,399.67			2,399.67
			Total Plant	-	\$7,058.01			\$7,058.01
Orange	Tangerine	130	-No adjustments noted-	-	-	-		
Pasco	Palm Terrace	1429	Retirements	(\$26,715.88)	\$26,715.88			
			Rcls. Inven. Adj.	-	4,988.78			4,988.78
			Extra Abandonment					
			Total Plant	(\$26,715.88)	\$31,702.66		-	\$4,988.78
Pasco	Zephyr Shores	1427	Retirements	(\$361.67)	\$361.67			
			Rcls. Inven. Adj.	(361.67)	361.67			
			Extra Abandonment	-	2,813.46			2,813.46
			Total Plant	(\$723.34)	\$3,536.80			\$2,813.46
Polk	Gibsonia Ests.	215	Retirements					
			Rcls. Inven. Adj.	388.31	(388.31)			
			Extra Abandonment	-	(18,265.07)			(18,265.07)
			Total Plant	\$388.31	(\$18,653.38)			(\$18,265.07)

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Polk	Orange Hill	214	Retirements					
			Rcls. Inven. Adj.		111.77			111.77
			Extra Abandonment		1,230.43		-	1,230.43
			Total Plant		\$1,342.20			\$1,342.20
Polk	Sugar Creek	212	Retirements					
			Rcls. Inven. Adj.		10.86			10.86
			Extra Abandonment		602.22	-		602.22
			Total Plant		\$613.08			\$613.08
Putnam	Beecher's Pnt.	472	Retirements					
			Rcls. Inven. Adj.	-	761.30			761.30
			Extra Abandonment	-	933.87			933.87
			Total Plant	-	\$1,695.17			\$1,695.17
Putnam	Hermits Cove	438	Retirements					
			Rcls. Inven. Adj.	1,568.14	(421.27)		-	1,146.87
			Extra Abandonment		(21.75)			(21.75)
			Total Plant	\$1,568.14	(\$443.02)			\$1,125.12
Putnam	Interlachen Lk	470	Retirements					
			Rcls. Inven. Adj.	950.06	(794.59)		31.44	186.91
			Extra Abandonment		(4,092.44)			(4,092.44)
			Total Plant	\$950.06	(\$4,887.03)	\$0.00	\$31.44	(\$3,905.53)
Putnam	Palm Port	440	Retirements					
			Rcls. Inven. Adj.	-	6,267.43			6,267.43
			Extra Abandonment		7,432.16			7,462.16
			Total Plant		\$13,729.59			\$13,726.59
Putnam	Park Manor	444	Retirements					
			Rcls. Inven. Adj.	(950.06)	123.30		(31.44)	(858.20)
			Extra Abandonment		648.63	-		648.63
			Total Plant	(\$950.06)	\$771.93		(\$31.44)	(\$209.57)
Putnam	Pomona Park	443	-No adjustments noted-					
Putnam	River Grove	442	Retirements					
			Rcls. Inven. Adj.		2,179.58			2,179.58
			Extra Abandonment		-			
			Total Plant		\$2,179.58			\$2,179.58

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Putnam	Saratoga Harb.	448	-No adjustments noted-	-	-	-	-	-
Putnam	Silver Lk.Oaks	473	-No adjustments noted-	-	-	-	-	-
Putnam	St.John's High.	471	Retirements					
			Rcls. Inven. Adj.		(331.55)			(331.55)
			Extra Abandonment			(179.00)		(179.00)
			Total Plant		(\$331.55)	(\$179.00)	-	(\$510.55)
Putnam	Welaka	447	-No adjustments noted-					
Putnam	Wooten	446	Retirements					
			Rcls. Inven. Adj.		(199.69)			(199.69)
			Extra Abandonment					
			Total Plant		(\$199.69)			(\$199.69)
Seminole	FL Ct.Com.Pk.	340	Retirements					
			Rcls. Inven. Adj.	1,847.46	(496.31)	15,964.45	(15,964.45)	1,351.15
			Extra Abandonment	-	4,786.26	-	-	4,786.26
			Total Plant	\$1,847.46	\$4,289.95	\$15,964.45	(\$15,964.45)	\$6,137.41
Seminole	Harmy. Homes	326	Retirements	(\$2,603.03)	\$2,603.03			
			Rcls. Inven. Adj.					
			Extra Abandonment	-	857.50	-	-	857.50
			Total Plant	(\$2,603.03)	\$3,460.53	-	-	\$857.50
Volusia	Jungle Den	1802	Retirements					
			Rcls. Inven. Adj.					
			Extra Abandonment	-	3,026.87	-	-	3,026.87
			Total Plant	-	\$3,026.87	-	-	\$3,026.87
Volusia	Tomoka View	1808	Retirements					
			Rcls. Inven. Adj.	(12,478.03)	12,291.22	-	-	(186.81)
			Extra Abandonment					
			Total Plant	(\$12,478.03)	\$12,291.22	-	-	(\$186.81)
Volusia	Twin Rivers	1809	Retirements					
			Rcls. Inven. Adj.	12,478.03	(12,291.22)	-	-	186.81
			Extra Abandonment					
			Total Plant	\$12,478.03	(\$12,291.22)	-	-	\$186.81

Disclosure No. 1, continued

2000 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Washgtn.	Sunny Hills	2801	Retirements					
			Rcls. Inven. Adj.	(6,551.83)	5,474.74	-	-	(1,077.09)
			Extra Abandonment	-	(27.97)	-	-	(27.97)
			Total Plant	(\$6,551.83)	\$5,446.77	-	-	(\$1,105.06)

Disclosure No. 1, continued

2001 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Brevard	Kingswood	1702	-No adjustments noted-				-	-
Brevard	Oakwood	1701	-No adjustments noted-					-
Highlands	Leisure Lakes	2401	-No adjustments noted-				-	-
Lake	Carlton Village	555	-No adjustments noted-			-		-
Lake	E. Lk. Harris Est.	557	-No adjustments noted-					
Lake	Fern Terrace	552	-No adjustments noted-					
Lake	Friendly Center	556	-No adjustments noted-			-	-	-
Lake	Grand Terrace	575	-No adjustments noted-				-	-
Lake	Hobby Hills	558	-No adjustments noted-					-
Lake	Holiday Haven	573	-No adjustments noted-			-	-	-
Lake	Imperial Terrace	570	-No adjustments noted-					
Lake	Morningview	562	-No adjustments noted-					
Lake	Quail Rdg.Ests.	578	-No adjustments noted-			-	-	-
Lake	Palms MH Pk.	559	-No adjustments noted-	-			-	-
Lake	Picciola Island	564	-No adjustments noted-	-	-	-	-	-
Lake	Piney Woods	553	-No adjustments noted-			-	-	-
Lake	Silver Lake Ests.	574	-No adjustments noted-					
Lake	Skycrest	551	-No adjustments noted-				-	-
Lake	Stone Mountain	565	-No adjustments noted-			-	-	-
Lake	Valencia Terrace	554	-No adjustments noted-	-		-	-	-
Lake	Venetian Village	567	-No adjustments noted-	-		-	-	-
Lake	Western Shores	566	-No adjustments noted-	-		-	-	-
Orange	Tangerine	130	Retirements					
			Rcls. Inven. Adj.	(1,913.00)	128.61	-	-	(1,784.39)
			Extra Abandonment					
			Total Plant	(\$1,913.00)	\$128.61	-	-	(\$1,784.39)
Pasco	Palm Terrace	1429	-No adjustments noted-	-	-			
Pasco	Zephyr Shores	1427	Retirements	361.67	(361.67)			
			Rcls. Inven. Adj.					
			Extra Abandonment					
			Total Plant	\$361.67	(\$361.67)			
Polk	Gibsonia Estates	215	-No adjustments noted-					
Polk	Lake Gibson	210	-No adjustments noted-	-			-	-
Polk	Orange Hill	214	-No adjustments noted-		-	-		-
Polk	Sugar Creek	212	-No adjustments noted-	-	-	-	-	-
Putnam	Beecher's Point	472	-No adjustments noted-	-			-	-
Putnam	Hermits Cove	438	-No adjustments noted-					

Disclosure No. 1, continued

2001 Utility Inventory Adjustments

County	System Name	Number	Adjustments	UPIS	Acc. Dep.	CIAC	Amtz. CIAC	Net Adj.
Putnam	Interlachen Lake	470	Retirements					
			Rcls. Inven. Adj.	(510.10)	576.68	-	-	66.58
			Extra Abandonment					
			Total Plant	(\$510.10)	\$576.68	-	-	\$66.58
Putnam	Palm Port	440	-No adjustments noted-	-	-	-	-	-
Putnam	Park Manor	444	Retirements					
			Rcls. Inven. Adj.	510.10	(576.68)	-	-	(66.58)
			Extra Abandonment					
			Total Plant	\$510.10	(\$576.68)	-	-	(\$66.58)
Putnam	Pomona Park	443	-No adjustments noted-	-	-	-	-	-
Putnam	River Grove	442	-No adjustments noted-	-	-	-	-	-
Putnam	Saratoga Harbr.	448	-No adjustments noted-	-	-	-	-	-
Putnam	Silver Lake Oaks	473	-No adjustments noted-	-	-	-	-	-
Putnam	St.John's Highld.	471	-No adjustments noted-	-	-	-	-	-
Putnam	Welaka	447	-No adjustments noted-	-	-	-	-	-
Putnam	Wooten	446	-No adjustments noted-	-	-	-	-	-
Seminole	FL Cnt.Com.Pk.	340	-No adjustments noted-	-	-	-	-	-
Seminole	Harmony Homes	326	-No adjustments noted-	-	-	-	-	-
Volusia	Jungle Den	1802	-No adjustments noted-	-	-	-	-	-
Volusia	Tomoka View	1808	-No adjustments noted-	-	-	-	-	-
Volusia	Twin Rivers	1809	-No adjustments noted-	-	-	-	-	-

Disclosure No. 2

Subject: Pasco County-Zephyr Shores - Retirement of Water UPIS

Statement of Fact: The company retired water UPIS in December 1995 in the amount of \$25,214.

Opinion: The audit staff inquired if the company had received any salvage or if any of the plant items were transferred inventory plant. The company has not provided any response.

Disclosure No. 3

Subject: Polk County-Lake Gibson - Meter Salvage

Statement of Fact: The utility recorded an entry from its sales journal in February 1999 to Account 210.000.01.1081.3344, Lake Gibson Water Accumulated Depreciation. The entry credits accumulated depreciation by \$317 for salvage received for meters sold. The entry was reversed in October 1999 through Journal Entry 34766 which described the entry as a reclassification of meter sales to the proper account.

According to the NARUC Chart of Accounts, salvage should be credited to accumulated depreciation. The company was asked to provide the entry in order that the audit staff could determine which account the utility has been classifying this salvage in, but it did not provide it before this report could be issued.

The company was asked to provide all salvage received for meters for all systems. It responded that the company does not usually get any salvage.

Opinion: The amount that was recorded and then reversed was 27 percent of retirements for 1999. It appears that the company has been recording salvage in an account other than accumulated depreciation and has probably been doing so for all of the utility systems.

Recording salvage would increase accumulated depreciation and reduce rate base. The company should be required to provide the detail for the accounts the salvage was actually recorded in and the effect on rate base for all of the systems.

Disclosure No. 4

Subject: Polk County-Lake Gibson - Drainfields and Septic Tanks

Statement of Fact: In 2002, \$355,317 was added to Account 380.4, Treatment and Disposal Equipment, for Lake Gibson wastewater plant from Project 97CW709. The charges were for Sunstate Meter and Supply's work to install 27 septic tanks and drainfields. In 2003, the company credited the same account with \$351,760 to retire these septic tanks and drainfields. The company did not provide an explanation as to why these items were retired after only one year. The debit was made to accumulated depreciation leaving the 108.3804 account with a debit balance of \$341,585.

Opinion: Since the drainfields and septic tanks were a temporary fix because of the utility's inability to provide service to customers in its service territory, and because they were only used for a year, it does not seem reasonable to record them as capital items. If the Commission determines they should have been capitalized, treatment as an extraordinary abandonment seems more reasonable than having a debit balance of \$341,585 in accumulated depreciation.

The audit staff cannot determine if any salvage was received for these septic tanks when retired. Our staff engineer has requested information from the county regarding this transaction. The \$351,790 should be removed from accumulated depreciation since it should have been expensed. No adjustment was made to the attached rate base schedule because the extraordinary retirements that were transferred back to plant in 2003 have all been addressed in Exception No. 18.

Disclosure No. 5

Subject: Polk County – Land and Land Rights

Statement of Fact: The land for Orange Hill and Sugar Creek is recorded in the General Ledger at transfer on June 30, 2004, at \$17,232. Of this amount, \$9,783 is for Sugar Creek and \$7,449 for Orange Hill. The Orange Hill and Sugar Creek plants are on separate parcels but are contained on the same deed. According to the company, the Orange Hill parcel is .65 of an acre, and the Sugar Creek plant is on .35 of an acre. Based on the documentary stamps on the deed in 1973, the land was purchased for \$1,000. The price, at transfer in 1980, from Sugar Creek Utilities, Inc. to Southern States Utilities, Inc., was \$5,000. The company claims that clearing costs increased the value to the \$17,232, but it cannot provide invoices. It claims that since the plant was booked prior to the last Polk County rate case which used an April 30, 1989, test year, it has already been approved.

When touring the plants, the Sugar Creek plant was found to be in the backyard of a residential customer and accessed through his gate. The plant operator informed me that the owner had locked the gate to protest the company bringing large trucks back to the plant. The deed dated June 27, 1973, when Joe Lombardi, Inc. sold the land to Sugar Hill Utilities, Inc., describes the land as follows:

PARCEL 1: The East 150 feet of the South 150 feet of Lot 19 of Sugar Creek Sub-Division, according to unrecorded plat thereof on file with the County Engineer of Polk County, Florida, being in Section 28, Township 28 South, Range 25 East, Polk County, Florida. Restricted to Sugar Creek Water System use only.

TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS, including water transmission lines, 15 feet in width extending from the North Boundary of the above described property to the Boundary Line between Lots 18 and 19 of Sugar Creek Sub-Division, thence West to the Right-of Way of Quailwood Drive, extending 7.5 feet on each side of an existing water transmission line as shown on plans for Sugar Creek Water System on file with the Polk County Health Department. AND ALSO:

PARCEL 2: Lot 2, Block 2, of Orange Hill Sub-Division as recorded in Plat Book 58, on Page 40, of the Public Records of Polk County, Florida, Subject to Easements and Restrictions of Record.

In 1977, a corrected deed was made which assigned ownership of the Sugar Creek plant land to Richard H. Culp.

This land was sold August 18, 1980, to Southern States Utilities, Inc. The deed description of the land is now:

Lot 2, Block 2 of ORANGE HILL SUBDIVISION, according to plat thereof recorded in Plat Book 58, Page 40, Public Records of Polk County, Florida.

Disclosure No. 5, continued

AND a perpetual easement reserved over the following described real property as set forth in instrument recorded in O.R. Book 1728, at page 2146 and in O.R. Book 1745, at page 209, to wit:

The East 150 feet of the South 150 feet of Lot 19 of SUGAR CREEK SUBDIVISION, according to unrecorded plat thereof on file with the County Engineer of Polk County, Florida, being Section 28, Township 28 South, Range 25 East, Polk County, Florida.

This is the same description used to transfer the deed from Florida Water Services Corporation (FWS) to Aqua Utilities Florida, Inc. on June 30, 2004.

The other systems also contained differences in the land balances between the General Ledger and the deeds and the General Ledger and the Resolutions of the Polk County Board of Polk County Commissioners, issued June 27, 1989, and April 24, 1990. A comparison of all systems follows:

System	Cost per Ledger	Cost per Deed	Cost Polk Order	Land Added Since	Adjusted Order	Difference Adj. Order to Ledger	Difference Deed to Ledger	Acres

At the Lake Gibson plant, FWS owned eight parcels of land that were sold in May 2002 for \$22,100 to Highland Holdings, Inc.

Opinion: The utility originally had title to the land that the Sugar Creek well and hydro tank sit on and an easement for access to the plant over the Culp’s driveway. The company now only has an easement over Lot 19 where the Sugar Creek plant is located. If the land was owned in 1973, it would have been included in rate base. If the utility no longer owns the land, a portion of the cost for this deed needs to be removed. The utility may also have received some funds for selling this land.

Clearing costs of \$16,232 appear to be high for a \$1,000 piece of property in the Lakeland area in 1973. The audit staff cannot determine if the \$17,232 is reasonable without records for years prior to 1989. In addition, a portion of the \$1,000 original cost is for land that may have been sold.

The differences for all systems between the General Ledger and the Polk County Resolutions are immaterial. However, the differences between the deed amounts and the General Ledger amounts may be material. The company was asked to explain the differences, but because the differences related to time frames prior to the last Polk County Resolutions, it claimed that these balances had been increased for clearing costs and should be carried forward as being audited by Polk County.

Disclosure No. 5, continued

The land sold in Lake Gibson may have been in rate base in the last Polk County Resolution. Since the audit staff has not been able to get any supporting documentation for the last Polk County rate case, it is unable to determine if this land was included in rate base or not. Also, since the audit staff is not able to determine if the land was included or the cost, reducing rate base for the \$22,100 the land was sold for should be considered. It has not been removed in the attached rate base schedule.

No adjustment has been made to rate base for the Sugar Hill sale since the audit staff cannot determine what the booked value actually consists of. The booked value for the Sugar Hill property is \$9,793.

Disclosure No. 6

Subject: Volusia County-Tomoka - UPIS, Land and Accumulated Depreciation

Statement of Fact: Commission Order No. PSC-00-1659-PAA-WU, issued September 18, 2000, established UPIS, land and accumulated depreciation of \$101,845, \$2,000 and \$52,466, respectively, as of December 21, 1999, for Tomoka Water Works, Inc.

The utility established UPIS, land and accumulated depreciation of \$53,698, \$0 and \$47,190, respectively, as of December 21, 1999. Per the utility's books, there are only two systems, Tomoka and Twin Rivers, collectively known as Tomoka Water Works, Inc. In response to the audit staff's request they stated, "Tomoka View and Tanglewood Forest are parts of the same system."

Per the above Order, Tomoka Water Works, Inc, systems serve approximately 252 customers. As of June 30, 2004, the number of customers was 262.

The application that the utility filed with the Commission indicates that there are three communities that are being served by Tomoka Water Works, Inc.

Tanglewood Forest
Tomoka View
Twin River Estates

The audit staff conducted a plant tour on November 30, 2004, and viewed two systems for Tomoka Water Works, Inc., Tomoka View and Twin River Estates.

Disclosure No. 7

Subject: Accumulated Depreciation

Statement of Fact: Per discussion in Disclosure No. 1 , the utility made numerous retirements to utility-plant-in-service based on an Original Cost Study. Mostly, these entries credited plant and debited accumulated depreciation for equal amounts. This is the standard regulatory accounting for plant retirements.

However, many of these entries based on the Original Cost Study result in debit accumulated depreciation balances for individual accounts (and occasionally for an entire system). These balances cause the audit staff concern as they materially affect rate base and do not appear that they will be recovered through normal depreciation expense in a reasonable time. For instance, some debit balances relate to a plant account that has a zero balance. Others might relate to a plant account that has a minimal balance such that it will take 50-100 years to depreciate the debit balance to a zero balance. Therefore, these debit balances result in what amounts to a permanent increase in rate base.

The NARUC Uniform System of Accounts for Class A Utilities (USOA) states in Instruction 27H the following:

. . . the unexpected early retirement of a major unit of property, which would eliminate or seriously deplete the existing depreciation reserve, may require accounting treatment which differs from that described

The Instructions further describe how an extraordinary loss should be approved by the Commission for amortization over a period of time. Commission Rule 25-30.433(9), Florida Administrative Code (F.A.C.), describes how the amortization period should be calculated. In addition, Commission Rule 25-30.140 (8), F.A.C., states the following:

Prior to the date of retirement of major installations, the Commission may approve capital recovery where schedules to correct associated calculated deficiencies in recovery where a utility demonstrates that retirement of the installation or group of installations is prudent and the associated investment will not be recovered by the time of retirement through normal depreciation process.

The audit staff believes that if the Commission agrees to accept the retirement entries, the resulting debit balances indicate a “serious depletion” of accumulated depreciation as described in the Commission rules. The utility did not bring this adjustment to the Commission for approval or for guidance in adjusting the depreciation or amortization of the depreciation deficiencies.

As indicated in Disclosure No. 1, the audit staff has no support indicating specific plant that has been retired, the time frame when the plant would have been retired, and what would have been a reasonable amortization period for any extraordinary loss. In addition, many items that were retired were items such as communications equipment, computers, office equipment,

Disclosure No. 7, continued

and tools, that the company may have received salvage value for. The utility has been unable to justify these debit balances. They may be a result of incorrect depreciation expense in the past. They may be a result of an incorrect calculation in the Original Cost Study. In addition, if balances were booked to the appropriate account initially, they may have been depreciated at a higher rate and the debit balance may not have existed. The utility did not restate depreciation for prior years.

Therefore, the audit staff believes that it is a possibility that if the retirements had been recorded correctly at the time of retirement, these balances would not exist at the time of the transfer. The inventory is for plant existing at December 31, 1997. Any possible retirements that were picked up in this inventory would have been before this date. Assuming the latest possible retirement occurred in 1997, that would still allow for 6½ years of amortization of the deficiencies. Because the utility cannot justify these balances, and the audit staff believes that it may be a possibility that any losses or depreciation may have already been absorbed into retained earnings, the audit staff is disclosing entries that created the debit balances in order that the analyst in Tallahassee may make a decision whether to adjust the entries so the deficiencies are removed from accumulated depreciation.

See schedule on the following page.

Disclosure No. 7, continued

County	System		Acct. No.	Year	Adjustment	Acc. Dep.	
	No.	System Name				Balance	UPIS Balance
Highlands	2401	Leisure Lakes	02. 1083824	1998	\$7,063	\$6,149	\$934
Highlands	2401	Leisure Lakes	01. 1083344	2000	\$9,311	\$6,116	\$4,034
Lake	555	Carlton Village	01. 1083113	2000	\$1,500	\$1,209	\$364
Lake	575	Grand Terrace	01. 1083043	1999	\$14,935	\$6,250	\$4,000
Lake	558	Hobby Hills	01. 1083043	1999	\$1,947	\$1,169	\$2,250
Lake	558	Hobby Hills	01. 1083203	2003	\$2,375	\$2,054	\$483
Lake	562	Morningview	01. 1083102	2003	\$2,420	\$2,420	\$0
Lake	562	Morningview	01. 1083891	1999	\$395	\$395	\$0
Lake	553	Piney Woods	01. 1083203	1999	\$11,477	\$3,132	\$2,992
Lake	553	Piney Woods	01. 1083203	2003	\$2,992	\$5,716	\$0
Lake	578	Quail Ridge	01. 1083203	1999	\$5,072	\$727	\$3,743
Lake	578	Quail Ridge	01. 1083203	2003	\$2,715	\$2,884	\$1,028
Lake	574	Silver Lake Estate	01. 1083113	2003	\$1,865	\$1,420	\$0
Lake	554	Valencia Terrace	01. 1083113	2003	\$2,046	\$1,385	\$0
Lake	554	Valencia Terrace	01. 1083203	1999	\$33,855	\$24,159	\$3,724
Lake	554	Valencia Terrace	01. 1083344	1996	\$53,521	\$39,610	\$18,508
Pasco	1427	Zephyr Shores	01. 1083203	1999	\$21,283	\$17,270	\$737
Pasco	1427	Zephyr Shores	02. 1083804	1999	\$99,879	\$47,359	\$29,742
Pasco	1429	Palm Terrace	02. 1083715	2003	\$13,612	\$6,644	\$0
Polk	212	Sugar Creek	01. 1083344	1996	\$11,535	\$7,661	\$2,752
Polk	212	Sugar Creek	99. 1083465	2003	\$2,558	\$2,174	\$0
Polk	214	Orange Hill	01. 1083072	1999	\$2,808	\$2,663	\$877
Putnam	472	Beecher's Point	01. 1083544	2003	\$68,183	\$66,958	\$0
Putnam	472	Beecher's Point	02. 1083804	2003	\$38,702	\$19,026	\$0
Putnam	438	Hermits Cove	01. 1083072	2003	\$6,141	\$5,303	\$0
Putnam	470	Interlachen Lakes	01. 1083072	1996	\$5,000	\$8,652	(\$4,810)
Putnam	470	Interlachen Lakes	01. 1083072	1999	(\$6,100)	\$3,403	\$2,500
Putnam	470	Interlachen Lakes	01. 1083203	1999	\$6,112	\$3,340	\$1,683
Putnam	470	Interlachen Lakes	01. 1083334	2003	\$6,483	\$2,570	\$1,756
Putnam	440	Palm Port	01. 1083203	2003	\$1,759	\$864	\$0
Putnam	444	Park Manor	01. 1083392	2003	\$2,427	\$2,427	\$0
Putnam	444	Park Manor	01. 1083892	2003	\$2,427	\$2,427	\$0
Putnam	443	Pomona Park	01. 1083203	2003	\$7,541	\$7,541	(\$7,541)
Putnam	442	River Grove	01. 1083203	1998	\$14,673	\$3,840	\$3,379
Putnam	442	River Grove	01. 1083203	2003	\$3,379	\$6,175	\$2,693
Putnam	473	Silver Lake Oaks	01. 1083203	1998	\$6,753	\$439	\$1,431
Putnam	473	Silver Lake Oaks	01. 1083203	2003	\$1,430	\$1,610	\$0
Putnam	471	St. Johns Highlands	01. 1083114	2003	\$5,757	\$1,231	\$0
Putnam	471	St. Johns Highlands	01. 1083112	2003	\$6,314	\$1,484	\$0
Putnam	471	St. Johns Highlands	01. 1083072	2003	\$25,438	\$21,361	\$0
Seminole	326	Harmony Homes	01. 1083072	1995	\$3,775	\$3,629	\$2,520
Seminole	326	Harmony Homes	01. 1083203	1999	\$8,731	\$2,424	\$1,376

FLORIDA WATER SERVICES CORP.**EXHIBIT A**

WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	AUDIT ADJUSTMENT	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$11,577,221	(\$44,988)	\$11,532,233
LAND & LAND RIGHTS	193,233	(12,332)	180,901
CONSTRUCTION-WORK-IN-PROGRESS	143,671	(4,578)	139,093
PLANT HELD FOR FUTURE USE	12,938	0	12,938
ACQUISITION ADJUSTMENT (AA)	580,984	(610,925)	(29,941)
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(2,190,202)	(50,003)	(2,240,205)
ACCUMULATED DEPRECIATION	(3,391,122)	(227,035)	(3,618,157)
ACCUMULATED AMORTIZATION OF CIAC	894,784	36,561	931,346
ACCUMULATED AMORTIZATION OF AA	(228,069)	253,366	25,298
OTHER REGULATORY ASSET	242,315	207,718	450,033
TOTAL	\$7,835,752	(\$452,214)	\$7,383,538

EXHIBIT B

WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	AUDIT ADJUSTMENT	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$8,579,836	(\$245,629)	\$8,334,207
LAND & LAND RIGHTS	565,345	(16,617)	548,728
CONSTRUCTION-WORK-IN-PROGRESS	144,456	(120,051)	24,405
PLANT HELD FOR FUTURE USE	5,442	0	5,442
ACQUISITION ADJUSTMENT (AA)	(339,461)	278,443	(61,018)
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(1,964,564)	0	(1,964,564)
ACCUMULATED DEPRECIATION	(2,718,667)	(22,954)	(2,741,621)
ACCUMULATED AMORTIZATION OF CIAC	1,079,349	170	1,079,519
ACCUMULATED AMORTIZATION OF AA	119,389	(79,323)	40,066
EXTRAORDINARY ABANDONMENT	426,818	(275,972)	150,846
OTHER REGULATORY ASSET	341,621	(179,625)	161,996
TOTAL	\$6,239,564	(\$661,557)	\$5,578,007

EXHIBIT C

GENERAL PLANT AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	AUDIT ADJUSTMENT	PER AUDIT
TOTAL	\$79,250	(\$79,250)	\$0

EXHIBIT D

TOTAL RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	AUDIT ADJUSTMENT	PER AUDIT
COMBINED RATE BASE	\$14,154,566	(\$1,193,021)	\$12,961,545

EXHIBIT 1-A
BREVARD COUNTY
KINGSWOOD UTILITY SYSTEM - 1701
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$5,500	\$0		\$5,500
LAND & LAND RIGHTS	1,058	0		1,058
CONSTRUCTION-WORK-IN-PROGRESS	116	0		116
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	10,082	(10,082)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(156)	0		(156)
ACCUMULATED DEPRECIATION	(2,413)	(2,058)	Exception No. 18	(4,471)
ACCUMULATED AMORTIZATION OF CIAC	1	0		1
ACCUMULATED AMORTIZATION OF AA	(3,843)	3,843	Exception No. 13	0
OTHER REGULATORY ASSET	1,860	1,568	Exception No. 23	3,428
TOTAL	<u>\$12,206</u>	<u>(\$6,729)</u>		<u>\$5,477</u>

EXHIBIT 2-A
BREVARD COUNTY
OAKWOOD UTILITY SYSTEM - 1702
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$28,629	\$0		\$28,629
LAND & LAND RIGHTS	1,708	0		1,708
CONSTRUCTION-WORK-IN-PROGRESS	111	0		111
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	50,067	(50,067)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(2,705)	0		(2,705)
ACCUMULATED DEPRECIATION	(22,632)	(3,859)	Exception No. 18	(26,491)
ACCUMULATED AMORTIZATION OF CIAC	(771)	0		(771)
ACCUMULATED AMORTIZATION OF AA	(20,072)	20,072	Exception No. 13	0
OTHER REGULATORY ASSET	6,265	5,290	Exception No. 23	11,555
TOTAL	<u>\$40,600</u>	<u>(\$28,564)</u>		<u>\$12,036</u>

EXHIBIT 3-A
HIGHLANDS COUNTY
LEISURE LAKES UTILITY SYSTEM - 2401
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$330,165	\$0		\$330,165
LAND & LAND RIGHTS	550	0		550
CONSTRUCTION-WORK-IN-PROGRESS	3,325	0		3,325
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	87,469	(87,469)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(128,851)	0		(128,851)
ACCUMULATED DEPRECIATION	(124,204)	9,911	Exception No. 18	(114,293)
ACCUMULATED AMORTIZATION OF CIAC	69,843	0		69,843
ACCUMULATED AMORTIZATION OF AA	(32,783)	32,783	Exception No. 13	0
OTHER REGULATORY ASSET	7,673	5,762	Exception No. 23	13,435
TOTAL	<u>\$213,187</u>	<u>(\$39,013)</u>		<u>\$174,174</u>

EXHIBIT 3-B
HIGHLANDS COUNTY
LEISURE LAKES UTILITY SYSTEM - 2401
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$329,483	\$0		\$329,483
LAND & LAND RIGHTS	2,200	0		2,200
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(45,098)	45,098	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(238,386)	0		(238,386)
ACCUMULATED DEPRECIATION	(207,226)	9,911	Exception No. 18	(197,315)
ACCUMULATED AMORTIZATION OF CIAC	170,991	0		170,991
ACCUMULATED AMORTIZATION OF AA	15,550	(15,550)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	26,067	(13,379)	Exception No. 23	12,688
TOTAL	<u>\$53,581</u>	<u>\$26,080</u>		<u>\$79,662</u>

EXHIBIT 4-A
LAKE COUNTY
CARLTON VILLAGE UTILITY SYSTEM - 555
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$488,042	\$0		\$488,042
LAND & LAND RIGHTS	5,217	1,134	Exception No. 9	6,351
CONSTRUCTION-WORK-IN-PROGRESS	97	0		97
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	1,055	(1,055)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(112,223)	0		(112,223)
ACCUMULATED DEPRECIATION	(127,665)	(3,189)	Exception No. 18	(130,854)
ACCUMULATED AMORTIZATION OF CIAC	17,689	0		17,689
ACCUMULATED AMORTIZATION OF AA	(1,306)	1,306	Exception No. 13	0
OTHER REGULATORY ASSET	5,435	2,784	Exception No. 23	8,219
TOTAL	<u>\$276,340</u>	<u>\$980</u>		<u>\$277,321</u>

EXHIBIT 5-A
LAKE COUNTY
EAST LAKE HARRIS ESTATES UTILITY SYSTEM - 557
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$522,101	\$0		\$522,101
LAND & LAND RIGHTS	3,071	0		3,071
CONSTRUCTION-WORK-IN-PROGRESS	127	0		127
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	8,628	(8,628)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(4,851)	0		(4,851)
ACCUMULATED DEPRECIATION	(124,729)	(5,729)	Exception No. 18	(130,458)
ACCUMULATED AMORTIZATION OF CIAC	3,037	0		3,037
ACCUMULATED AMORTIZATION OF AA	(2,125)	2,125	Exception No. 13	0
OTHER REGULATORY ASSET	5,398	4,406	Exception No. 23	9,804
TOTAL	<u>\$410,657</u>	<u>(\$7,826)</u>		<u>\$402,831</u>

EXHIBIT 6-A
LAKE COUNTY
FERN TERRACE UTILITY SYSTEM - 552
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$101,537	\$0		\$101,537
LAND & LAND RIGHTS	2,393	(1,613)	Exception No. 9	780
CONSTRUCTION-WORK-IN-PROGRESS	258	0		258
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	2,939	(2,939)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(10,544)	0		(10,544)
ACCUMULATED DEPRECIATION	(26,388)	(9,031)	Exception No. 18	(35,419)
ACCUMULATED AMORTIZATION OF CIAC	4,700	0		4,700
ACCUMULATED AMORTIZATION OF AA	(1,209)	1,209	Exception No. 13	0
OTHER REGULATORY ASSET	3,790	3,195	Exception No. 23	6,985
TOTAL	<u>\$77,476</u>	<u>(\$9,179)</u>		<u>\$68,297</u>

EXHIBIT 7-A
LAKE COUNTY
FRIENDLY CENTER UTILITY SYSTEM - 556
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$16,241	\$0		\$16,241
LAND & LAND RIGHTS	437	0		437
CONSTRUCTION-WORK-IN-PROGRESS	64	0		64
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	1,911	(1,911)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(7,467)	0		(7,467)
ACCUMULATED DEPRECIATION	(8,921)	(890)	Exception No. 18	(9,811)
ACCUMULATED AMORTIZATION OF CIAC	2,797	0		2,797
ACCUMULATED AMORTIZATION OF AA	(538)	538	Exception No. 13	0
OTHER REGULATORY ASSET	743	395	Exception No. 23	1,138
TOTAL	<u>\$5,268</u>	<u>(\$1,869)</u>		<u>\$3,399</u>

EXHIBIT 8-A
LAKE COUNTY
GRAND TERRACE UTILITY SYSTEM - 575
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$101,048	\$0		\$101,048
LAND & LAND RIGHTS	5,606	0		5,606
CONTRUCTION-WORK-IN-PROGRESS	383	0		383
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(40,155)	40,155	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(33,602)	0		(33,602)
ACCUMULATED DEPRECIATION	(19,915)	(2,822)	Exception No. 18	(22,737)
ACCUMULATED AMORTIZATION OF CIAC	13,085	0		13,085
ACCUMULATED AMORTIZATION OF AA	9,817	(9,817)	Exception No. 13	0
OTHER REGULATORY ASSET	3,326	2,811	Exception No. 23	6,137
TOTAL	<u>\$39,592</u>	<u>\$30,328</u>		<u>\$69,920</u>

EXHIBIT 9-A
LAKE COUNTY
HOBBY HILLS UTILITY SYSTEM - 558
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$42,246	\$0		\$42,246
LAND & LAND RIGHTS	1,993	(1,423)	Exception No. 9	570
CONTRUCTION-WORK-IN-PROGRESS	95	0		95
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	8,226	(8,226)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(7,063)	0		(7,063)
ACCUMULATED DEPRECIATION	(5,033)	(4,374)	Exception No. 18	(9,407)
ACCUMULATED AMORTIZATION OF CIAC	1,713	0		1,713
ACCUMULATED AMORTIZATION OF AA	(2,251)	2,251	Exception No. 13	0
OTHER REGULATORY ASSET	2,921	2,410	Exception No. 23	5,331
TOTAL	<u>\$42,848</u>	<u>(\$9,362)</u>		<u>\$33,486</u>

EXHIBIT 10-A
LAKE COUNTY
HOLIDAY HAVEN UTILITY SYSTEM - 573
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$47,922	\$0		\$47,922
LAND & LAND RIGHTS	306	(46)	Exception No. 9	260
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	30,847	(30,847)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(40,380)	0		(40,380)
ACCUMULATED DEPRECIATION	(19,299)	(10,908)	Exception No. 18	(30,208)
ACCUMULATED AMORTIZATION OF CIAC	26,206	0		26,206
ACCUMULATED AMORTIZATION OF AA	(9,103)	9,103	Exception No. 13	0
OTHER REGULATORY ASSET	3,641	2,560	Exception No. 23	6,201
TOTAL	<u>\$40,140</u>	<u>(\$30,139)</u>		<u>\$10,001</u>

EXHIBIT 10-B
LAKE COUNTY
HOLIDAY HAVEN UTILITY SYSTEM - 573
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$672,778	\$0		\$672,778
LAND & LAND RIGHTS	122,428	(13,995)	Exception No. 9	108,433
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	52,556	(52,556)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(74,457)	0		(74,457)
ACCUMULATED DEPRECIATION	(291,065)	(10,908)	Exception No. 18	(301,973)
ACCUMULATED AMORTIZATION OF CIAC	46,906	0		46,906
ACCUMULATED AMORTIZATION OF AA	(20,280)	20,280	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	11,012	(11,012)	Exception No. 23	0
TOTAL	<u>\$519,877</u>	<u>(\$68,191)</u>		<u>\$451,687</u>

EXHIBIT 11-A
LAKE COUNTY
IMPERIAL MOBILE TERRACE UTILITY SYSTEM - 570
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$231,019	\$0		\$231,019
LAND & LAND RIGHTS	7,512	0		7,512
CONSTRUCTION-WORK-IN-PROGRESS	104	0		104
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	26,299	(26,299)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(55,490)	0		(55,490)
ACCUMULATED DEPRECIATION	(78,968)	(1,963)	Exception No. 18	(80,932)
ACCUMULATED AMORTIZATION OF CIAC	45,918	0		45,918
ACCUMULATED AMORTIZATION OF AA	(11,291)	11,291	Exception No. 13	0
OTHER REGULATORY ASSET	7,291	6,190	Exception No. 23	13,481
TOTAL	<u>\$172,393</u>	<u>(\$10,781)</u>		<u>\$161,612</u>

EXHIBIT 12-A
LAKE COUNTY
MORNINGVIEW UTILITY SYSTEM - 562
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$80,456	\$0		\$80,456
LAND & LAND RIGHTS	882	0		882
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	5,196	(5,196)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(3,577)	0		(3,577)
ACCUMULATED DEPRECIATION	(25,551)	(805)	Exception No. 18	(26,356)
ACCUMULATED AMORTIZATION OF CIAC	2,663	0		2,663
ACCUMULATED AMORTIZATION OF AA	(1,474)	1,474	Exception No. 13	0
OTHER REGULATORY ASSET	1,303	1,323	Exception No. 23	2,626
TOTAL	<u>\$59,898</u>	<u>(\$3,204)</u>		<u>\$56,694</u>

EXHIBIT 12-B
LAKE COUNTY
MORNINGVIEW UTILITY SYSTEM - 562
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$170,684	\$0		\$170,684
LAND & LAND RIGHTS	1,140	0		1,140
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	9,242	(9,242)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(5,732)	0		(5,732)
ACCUMULATED DEPRECIATION	(107,801)	(805)	Exception No. 18	(108,606)
ACCUMULATED AMORTIZATION OF CIAC	4,899	0		4,899
ACCUMULATED AMORTIZATION OF AA	(1,126)	1,126	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	3,877	(1,859)	Exception No. 23	2,018
TOTAL	<u>\$75,183</u>	<u>(\$10,780)</u>		<u>\$64,403</u>

EXHIBIT 13-A
LAKE COUNTY
PALMS MOBILE HOME PARK UTILITY SYSTEM - 559
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$106,900	\$0		\$106,900
LAND & LAND RIGHTS	1,360	0		1,360
CONSTRUCTION-WORK-IN-PROGRESS	64	0		64
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	8,699	(8,699)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(4,396)	0		(4,396)
ACCUMULATED DEPRECIATION	(39,307)	(2,185)	Exception No. 18	(41,492)
ACCUMULATED AMORTIZATION OF CIAC	2,241	0		2,241
ACCUMULATED AMORTIZATION OF AA	(2,350)	2,350	Exception No. 13	0
OTHER REGULATORY ASSET	1,834	1,396	Exception No. 23	3,230
TOTAL	<u>\$75,045</u>	<u>(\$7,138)</u>		<u>\$67,907</u>

EXHIBIT 14-A
LAKE COUNTY
PICCIOLA ISLAND UTILITY SYSTEM - 564
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$119,878	\$0		\$119,878
LAND & LAND RIGHTS	3,481	0		3,481
CONSTRUCTION-WORK-IN-PROGRESS	191	0		191
PLANT HELD FOR FUTURE USES	0	0		0
ACQUISITION ADJUSTMENT (AA)	27,360	(17,960)	Exception No. 13	9,400
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(41,720)	0		(41,720)
ACCUMULATED DEPRECIATION	(56,117)	(6,076)	Exception No. 18	(62,193)
ACCUMULATED AMORTIZATION OF CIAC	25,136	0		25,136
ACCUMULATED AMORTIZATION OF AA	(5,800)	(554)	Exception No. 13	(6,355)
OTHER REGULATORY ASSET	4,085	3,494	Exception No. 23	7,579
TOTAL	<u>\$76,494</u>	<u>(\$21,096)</u>		<u>\$55,398</u>

EXHIBIT 15-A
LAKE COUNTY
PINEY WOODS UTILITY SYSTEM - 553
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$378,026	\$0		\$378,026
LAND & LAND RIGHTS	6,101	(4,234)	Exception No. 9	1,867
CONSTRUCTION-WORK-IN-PROGRESS	63	0		63
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(29,294)	29,294	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(16,405)	0		(16,405)
ACCUMULATED DEPRECIATION	(115,473)	(5,330)	Exception No. 18	(120,803)
ACCUMULATED AMORTIZATION OF CIAC	5,126	0		5,126
ACCUMULATED AMORTIZATION OF AA	7,962	(7,962)	Exception No. 13	0
OTHER REGULATORY ASSET	5,098	4,176	Exception No. 23	9,274
TOTAL	<u>\$241,203</u>	<u>\$15,945</u>		<u>\$257,148</u>

EXHIBIT 16-A
LAKE COUNTY
QUAIL RIDGE ESTATES UTILITY SYSTEM - 578
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$156,356	\$0		\$156,356
LAND & LAND RIGHTS	3,804	0		3,804
CONSTRUCTION-WORK-IN-PROGRESS	129	0		129
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(108,125)	108,125	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(77,908)	0		(77,908)
ACCUMULATED DEPRECIATION	(35,030)	0		(35,030)
ACCUMULATED AMORTIZATION OF CIAC	9,953	0		9,953
ACCUMULATED AMORTIZATION OF AA	30,861	(30,861)	Exception No. 13	0
OTHER REGULATORY ASSET	997	(25)	Exception No. 23	972
TOTAL	<u>(\$18,962)</u>	<u>\$77,238</u>		<u>\$58,276</u>

EXHIBIT 17-A
LAKE COUNTY
SILVER LAKE ESTATES UTILITY SYSTEM - 574
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$1,565,379	\$0		\$1,565,379
LAND & LAND RIGHTS	32	2,402	Exception No. 9	2,433
CONSTRUCTION-WORK-IN-PROGRESS	48,251	0		48,251
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	131,538	(131,538)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(410,157)	0		(410,157)
ACCUMULATED DEPRECIATION	(526,029)	871	Exception No. 18	(525,157)
ACCUMULATED AMORTIZATION OF CIAC	162,448	0		162,448
ACCUMULATED AMORTIZATION OF AA	(52,310)	52,310	Exception No. 13	0
OTHER REGULATORY ASSET	42,655	56,433	Exception No. 23	99,088
TOTAL	<u>\$961,806</u>	<u>(\$19,522)</u>		<u>\$942,284</u>

EXHIBIT 18-A
LAKE COUNTY
SKYCREST UTILITY SYSTEM - 551
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$152,761	\$0		\$152,761
LAND & LAND RIGHTS	1,661	(1,230)	Exception No. 9	431
CONSTRUCTION-WORK-IN-PROGRESS	95	0		95
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	4,711	(4,711)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(18,766)	0		(18,766)
ACCUMULATED DEPRECIATION	(8,895)	(10,544)	Exception No. 18	(19,440)
ACCUMULATED AMORTIZATION OF CIAC	7,430	0		7,430
ACCUMULATED AMORTIZATION OF AA	(1,462)	1,462	Exception No. 13	0
OTHER REGULATORY ASSET	3,598	2,751	Exception No. 23	6,349
TOTAL	<u>\$141,134</u>	<u>(\$12,272)</u>		<u>\$128,862</u>

EXHIBIT 19-A
LAKE COUNTY
STONE MOUNTAIN UTILITY SYSTEM - 565
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$17,147	\$0		\$17,147
LAND & LAND RIGHTS	84	0		84
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	562	(562)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(2,994)	0		(2,994)
ACCUMULATED DEPRECIATION	(6,888)	(112)	Exception No. 18	(7,000)
ACCUMULATED AMORTIZATION OF CIAC	991	0		991
ACCUMULATED AMORTIZATION OF AA	(96)	96	Exception No. 13	0
OTHER REGULATORY ASSET	253	166	Exception No. 23	419
TOTAL	<u>\$9,059</u>	<u>(\$413)</u>		<u>\$8,647</u>

EXHIBIT 20-A
LAKE COUNTY
VALENCIA TERRACE UTILITY SYSTEM - 554
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$196,555	\$0		\$196,555
LAND & LAND RIGHTS	1,191	0		1,191
CONSTRUCTION-WORK-IN-PROGRESS	1,509	0		1,509
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(2,990)	2,990	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(38,956)	0		(38,956)
ACCUMULATED DEPRECIATION	(28,332)	174	Exception No. 18	(28,158)
ACCUMULATED AMORTIZATION OF CIAC	12,397	0		12,397
ACCUMULATED AMORTIZATION OF AA	710	(710)	Exception No. 13	0
OTHER REGULATORY ASSET	11,163	10,238	Exception No. 23	21,401
TOTAL	<u>\$153,247</u>	<u>\$12,692</u>		<u>\$165,939</u>

EXHIBIT 20-B
LAKE COUNTY
VALENCIA TERRACE UTILITY SYSTEM - 554
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$451,631	\$0		\$451,631
LAND & LAND RIGHTS	2,460	0		2,460
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(15,938)	15,938	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(34,529)	0		(34,529)
ACCUMULATED DEPRECIATION	(209,485)	174	Exception No. 18	(209,312)
ACCUMULATED AMORTIZATION OF CIAC	10,636	0		10,636
ACCUMULATED AMORTIZATION OF AA	3,784	(3,784)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	36,231	(14,692)	Exception No. 23	21,539
TOTAL	<u>\$244,790</u>	<u>(\$2,364)</u>		<u>\$242,426</u>

EXHIBIT 21-A
LAKE COUNTY
VENETIAN VILLAGE UTILITY SYSTEM - 567
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$128,235	\$0		\$128,235
LAND & LAND RIGHTS	4,403	(2,621)	Exception No. 9	1,782
CONSTRUCTION-WORK-IN-PROGRESS	4,985	0		4,985
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	2,065	15,435	Exception No. 13	17,500
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(51,320)	0		(51,320)
ACCUMULATED DEPRECIATION	(53,263)	1,858	Exception No. 18	(51,404)
ACCUMULATED AMORTIZATION OF CIAC	26,196	0		26,196
ACCUMULATED AMORTIZATION OF AA	(288)	(10,301)	Exception No. 13	(10,590)
OTHER REGULATORY ASSET	4,124	3,625	Exception No. 23	7,749
TOTAL	<u>\$65,137</u>	<u>\$7,996</u>		<u>\$73,134</u>

EXHIBIT 21-B
LAKE COUNTY
VENETIAN VILLAGE UTILITY SYSTEM - 567
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$288,071	\$0		\$288,071
LAND & LAND RIGHTS	17,265	14	Exception No. 9	17,279
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	7,698	9,802	Exception No. 13	17,500
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(145,174)	0		(145,174)
ACCUMULATED DEPRECIATION	(155,254)	1,858	Exception No. 18	(153,396)
ACCUMULATED AMORTIZATION OF CIAC	123,200	0		123,200
ACCUMULATED AMORTIZATION OF AA	930	(12,352)	Exception No. 13	(11,422)
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	9,292	(4,371)	Exception No. 23	4,921
TOTAL	<u>\$146,027</u>	<u>(\$5,049)</u>		<u>\$140,979</u>

EXHIBIT 22-A
LAKE COUNTY
WESTERN SHORES UTILITY SYSTEM - 566
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$346,830	\$0		\$346,830
LAND & LAND RIGHTS	4,576	(4,576)	Exception No.9	0
CONTRUCTION-WORK-IN-PROGRESS	439	0		439
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(32,087)	5,992	Exception No. 13	(26,095)
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(162,121)	0		(162,121)
ACCUMULATED DEPRECIATION	(73,202)	(503)	Exception No. 18	(73,705)
ACCUMULATED AMORTIZATION OF CIAC	30,288	0		30,288
ACCUMULATED AMORTIZATION OF AA	7,882	13,949	Exception No. 13	21,831
OTHER REGULATORY ASSET	10,501	(10,501)	Exception No. 23	0
TOTAL	<u>\$133,105</u>	<u>\$4,361</u>		<u>\$137,467</u>

EXHIBIT 23-A
ORANGE COUNTY
TANGERINE UTILITY SYSTEM - 130
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$263,650	\$1,100	Exception No. 1	\$264,750
LAND & LAND RIGHTS	0	0		0
CONTRUCTION-WORK-IN-PROGRESS	548	0		548
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	129,006	(129,006)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(62,251)	0		(62,251)
ACCUMULATED DEPRECIATION	(106,277)	(6,281)	See below	(112,558)
ACCUMULATED AMORTIZATION OF CIAC	32,954	2,832	Exception No. 19	35,786
ACCUMULATED AMORTIZATION OF AA	(12,898)	12,898	Exception No. 13	0
OTHER REGULATORY ASSET	0	0		0
TOTAL	<u>\$244,732</u>	<u>(\$118,457)</u>		<u>\$126,276</u>

Exception No.	1	18	Total
Amount	(\$4,369)	(1,912)	(\$6,281)

EXHIBIT 24-A
PASCO COUNTY
PALM TERRACE UTILITY SYSTEM - 1429
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$256,939	\$0		\$256,939
LAND & LAND RIGHTS	24,732	0		24,732
CONSTRUCTION-WORK-IN-PROGRESS	64	0		64
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	386,864	(386,864)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(138,157)	0		(138,157)
ACCUMULATED DEPRECIATION	(105,709)	(18,257)	Exception No. 18	(123,966)
ACCUMULATED AMORTIZATION OF CIAC	82,599	0		82,599
ACCUMULATED AMORTIZATION OF AA	(158,480)	158,480	Exception No. 13	0
OTHER REGULATORY ASSET	36,544	30,629	Exception No. 23	67,173
TOTAL	<u>\$385,396</u>	<u>(\$216,012)</u>		<u>\$169,384</u>

EXHIBIT 24-B
PASCO COUNTY
PALM TERRACE UTILITY SYSTEM - 1429
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$582,110	\$0		\$582,110
LAND & LAND RIGHTS	68,375	0		68,375
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(283,306)	283,306	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(343,113)	0		(343,113)
ACCUMULATED DEPRECIATION	(260,347)	(18,258)	Exception No. 18	(278,605)
ACCUMULATED AMORTIZATION OF CIAC	264,167	0		264,167
ACCUMULATED AMORTIZATION OF AA	115,211	(115,211)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	110,412	(53,213)	Exception No. 23	57,199
TOTAL	<u>\$253,507</u>	<u>\$96,625</u>		<u>\$350,133</u>

EXHIBIT 25-A
PASCO COUNTY
ZEPHYR SHORES UTILITY SYSTEM - 1427
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$223,388	\$0		\$223,388
LAND & LAND RIGHTS	4,896	0		4,896
CONSTRUCTION-WORK-IN-PROGRESS	127	0		127
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	30,620	(30,620)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(49,244)	0		(49,244)
ACCUMULATED DEPRECIATION	27,257	(18,096)	Exception No. 18	9,161
ACCUMULATED AMORTIZATION OF CIAC	20,894	0		20,894
ACCUMULATED AMORTIZATION OF AA	(12,475)	12,475	Exception No. 13	0
OTHER REGULATORY ASSET	15,702	12,020	Exception No. 23	27,722
TOTAL	<u>\$261,164</u>	<u>(\$24,221)</u>		<u>\$236,944</u>

EXHIBIT 25-B
PASCO COUNTY
ZEPHYR SHORES UTILITY SYSTEM - 1427
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$297,457	\$0		\$297,457
LAND & LAND RIGHTS	44,384	0		44,384
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	61,586	(61,586)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(83,582)	0		(83,582)
ACCUMULATED DEPRECIATION	(59,323)	19,133	See below	(40,191)
ACCUMULATED AMORTIZATION OF CIAC	32,433	0		32,433
ACCUMULATED AMORTIZATION OF AA	(25,106)	25,106	Exception No. 13	0
EXTRAORDINARY ABANDONMENT (NET)	128,235	(115,517)	Exception No. 21	12,719
OTHER REGULATORY ASSET	53,673	(26,062)	Exception No. 23	27,611
TOTAL	<u>\$449,756</u>	<u>(\$158,926)</u>		<u>\$290,831</u>

Exception No.	15	18	21	Total
Amount	\$11,628	(\$18,096)	25,601	\$19,133

EXHIBIT 26-A
POLK COUNTY
GIBSONIA ESTATES UTILITY SYSTEM - 215
WATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$338,765	\$1,268	Exception No. 4	\$340,033
LAND & LAND RIGHTS	3,824	0		3,824
CONSTRUCTION-WORK-IN-PROGRESS	(2,456)	0		(2,456)
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	47,033	(47,033)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(67,107)	0		(67,107)
ACCUMULATED DEPRECIATION	(38,137)	(23,957)	See below	(62,094)
ACCUMULATED AMORTIZATION OF CIAC	38,256	0		38,256
ACCUMULATED AMORTIZATION OF AA	(7,367)	7,367	Exception No. 13	0
OTHER REGULATORY ASSET	0	0	Exception No. 23	0
TOTAL	<u>\$312,811</u>	<u>(\$62,355)</u>		<u>\$250,456</u>

<u>Exception No.</u>	<u>4</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>Total</u>
<u>Amount</u>	<u>(\$582)</u>	<u>42,111</u>	<u>(47,540)</u>	<u>(17,945)</u>	<u>(\$23,957)</u>

EXHIBIT 27-A
POLK COUNTY
LAKE GIBSON UTILITY SYSTEM - 210
WATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$661,669	(\$634)	Exception No. 4	\$661,035
LAND & LAND RIGHTS	29,032	0		29,032
CONSTRUCTION-WORK-IN-PROGRESS	4,578	(4,578)	Exception No. 12	0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	3,202	(3,202)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(223,113)	0		(223,113)
ACCUMULATED DEPRECIATION	(211,248)	(34,628)	See below	(245,876)
ACCUMULATED AMORTIZATION OF CIAC	67,656	0		67,656
ACCUMULATED AMORTIZATION OF AA	(1,686)	1,686	Exception No. 13	0
OTHER REGULATORY ASSET	0	0	Exception No. 23	0
TOTAL	<u>\$330,089</u>	<u>(\$41,356)</u>		<u>\$288,733</u>

<u>Exception No.</u>	<u>4</u>	<u>16</u>	<u>18</u>	<u>Total</u>
<u>Amount</u>	<u>\$291</u>	<u>(10,768)</u>	<u>(24,151)</u>	<u>(\$34,628)</u>

EXHIBIT 27-B
POLK COUNTY
LAKE GIBSON UTILITY SYSTEM - 210
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$2,580,485	(\$151,811)	See below	\$2,428,674
LAND & LAND RIGHTS	10,110	0		10,110
CONSTRUCTION-WORK-IN-PROGRESS	120,051	(120,051)	Exception No. 12	0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	3,188	(3,188)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(250,697)	0		(250,697)
ACCUMULATED DEPRECIATION	43,721	(33,352)	See below	10,369
ACCUMULATED AMORTIZATION OF CIAC	67,090	0		67,090
ACCUMULATED AMORTIZATION OF AA	(1,676)	1,676	Exception No. 13	0
EXTRAORDINARY ABANDONMENT (NET)	298,583	(160,456)	Exception No. 22	138,127
OTHER REGULATORY ASSET	0	0		0
TOTAL	\$2,870,853	(\$467,180)		\$2,403,673

Exception No.	2	4	22	Total	2	3	4	16	18	22	Total
Amount	(\$139,957)	(634)	(11,220)	(\$151,811)	\$15,563	1,161	291	(4,554)	(24,151)	(21,662)	(\$33,352)

EXHIBIT 28-A
POLK COUNTY
ORANGE HILL/SUGAR CREEK UTILITY SYSTEM - 212/214
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$187,020	\$0		\$187,020
LAND & LAND RIGHTS	17,232	0		17,232
CONSTRUCTION-WORK-IN-PROGRESS	112	0		112
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	1,555	(1,555)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(19,142)	0		(19,142)
ACCUMULATED DEPRECIATION	(12,272)	(22,144)	See below	(34,416)
ACCUMULATED AMORTIZATION OF CIAC	6,128	0		6,128
ACCUMULATED AMORTIZATION OF AA	(859)	859	Exception No. 13	0
OTHER REGULATORY ASSET	0	0		0
TOTAL	\$179,774	(\$22,840)		\$156,935

Exception No.	16	18	Total
Amount	(3,495)	(18,649)	(\$22,144)

EXHIBIT 29-A
PUTNAM COUNTY
BEECHER'S POINT UTILITY SYSTEM - 472
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$177,669	(\$42,160)	Exception No. 5	\$135,509
LAND & LAND RIGHTS	15,000	0		15,000
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	2,578	(2,578)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(33,967)	0		(33,967)
ACCUMULATED DEPRECIATION	(38,795)	3,173	See below	(35,622)
ACCUMULATED AMORTIZATION OF CIAC	17,563	0		17,563
ACCUMULATED AMORTIZATION OF AA	(1,668)	1,668	Exception No. 13	0
OTHER REGULATORY ASSET	2,903	2,395	Exception No. 23	5,298
TOTAL	\$141,282	(\$37,501)		\$103,781

Exception No.	5	18	Total
Amount	\$8,841	(5,668)	\$3,173

EXHIBIT 29-B
PUTNAM COUNTY
BEECHER'S POINT UTILITY SYSTEM - 472
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$410,214	(\$49,154)	Exception No. 5	\$361,059
LAND & LAND RIGHTS	25,338	(3,087)	Exception No. 10	22,251
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(5,640)	5,640	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(20,569)	0		(20,569)
ACCUMULATED DEPRECIATION	61,269	(2,601)	See below	58,668
ACCUMULATED AMORTIZATION OF CIAC	14,689	0		14,689
ACCUMULATED AMORTIZATION OF AA	1,564	(1,564)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	4,321	(2,100)	Exception No. 23	2,221
TOTAL	\$491,186	(\$52,866)		\$438,320

Exception No.	5	18	Total
Amount	\$3,067	(5,668)	(\$2,601)

EXHIBIT 30-A
PUTNAM COUNTY
HERMITS COVE UTILITY SYSTEM - 438
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$623,581	(\$4,562)	Exception No. 6	\$619,019
LAND & LAND RIGHTS	3,164	0		3,164
CONTRUCTION-WORK-IN-PROGRESS	500	0		500
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	3,285	(3,285)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(6,442)	0		(6,442)
ACCUMULATED DEPRECIATION	(59,746)	3,211	See below	(56,535)
ACCUMULATED AMORTIZATION OF CIAC	2,864	0		2,864
ACCUMULATED AMORTIZATION OF AA	(1,752)	1,752	Exception No. 13	0
OTHER REGULATORY ASSET	5,331	4,298	Exception No. 23	9,629
TOTAL	<u>\$570,786</u>	<u>\$1,414</u>		<u>\$572,200</u>

Exception No.	6	18	Total
Amount	\$4,959	(1,748)	\$3,211

EXHIBIT 31-A
PUTNAM COUNTY
INTERLACHEN ESTATES UTILITY SYSTEM - 470
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$137,842	\$0		\$137,842
LAND & LAND RIGHTS	4,306	0		4,306
CONTRUCTION-WORK-IN-PROGRESS	49	0		49
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(1,188)	1,188	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(64,790)	0		(64,790)
ACCUMULATED DEPRECIATION	(28,231)	(7,079)	Exception No. 18	(35,310)
ACCUMULATED AMORTIZATION OF CIAC	30,132	0		30,132
ACCUMULATED AMORTIZATION OF AA	1,284	(1,284)	Exception No. 13	0
OTHER REGULATORY ASSET	6,744	7,280	Exception No. 23	14,024
TOTAL	<u>\$86,148</u>	<u>\$105</u>		<u>\$86,253</u>

EXHIBIT 32-A
PUTNAM COUNTY
PALM PORT UTILITY SYSTEM - 440
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$104,650	\$0		\$104,650
LAND & LAND RIGHTS	8,208	0		8,208
CONTRUCTION-WORK-IN-PROGRESS	127	0		127
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(30,857)	111	Exception No. 13	(30,746)
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(19,916)	0		(19,916)
ACCUMULATED DEPRECIATION	(28,353)	(3,125)	Exception No. 18	(31,478)
ACCUMULATED AMORTIZATION OF CIAC	9,296	0		9,296
ACCUMULATED AMORTIZATION OF AA	8,146	12,265	Exception No. 13	20,411
OTHER REGULATORY ASSET	3,089	2,794	Exception No. 23	5,883
TOTAL	<u>\$54,391</u>	<u>\$12,045</u>		<u>\$66,435</u>

EXHIBIT 32-B
PUTNAM COUNTY
PALM PORT UTILITY SYSTEM - 440
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$274,322	\$0		\$274,322
LAND & LAND RIGHTS	10,023	0		10,023
CONTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(79,818)	14,753	Exception No. 13	(65,065)
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(22,530)	0		(22,530)
ACCUMULATED DEPRECIATION	(153,961)	(3,125)	Exception No. 18	(157,086)
ACCUMULATED AMORTIZATION OF CIAC	11,966	0		11,966
ACCUMULATED AMORTIZATION OF AA	19,014	23,553	Exception No. 13	42,568
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	10,993	(5,105)	Exception No. 23	5,888
TOTAL	<u>\$70,010</u>	<u>\$30,076</u>		<u>\$100,086</u>

EXHIBIT 33-B
PUTNAM COUNTY
PARK MANOR UTILITY SYSTEM - 444
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$52,760	\$0		\$52,760
LAND & LAND RIGHTS	1,011	0		1,011
CONTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(31,503)	18,050	Exception No. 13	(13,453)
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(724)	0		(724)
ACCUMULATED DEPRECIATION	(23,271)	(4,814)	Exception No. 18	(28,085)
ACCUMULATED AMORTIZATION OF CIAC	635	0		635
ACCUMULATED AMORTIZATION OF AA	18,212	(9,292)	Exception No. 13	8,920
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	4,750	(2,898)	Exception No. 23	1,852
TOTAL	<u>\$21,869</u>	<u>\$1,047</u>		<u>\$22,916</u>

EXHIBIT 34-A
PUTNAM COUNTY
POMONA PARK UTILITY SYSTEM - 443
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$406,956	\$0		\$406,956
LAND & LAND RIGHTS	7,229	0		7,229
CONTRUCTION-WORK-IN-PROGRESS	1,546	0		1,546
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(22,728)	22,728	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(22,437)	0		(22,437)
ACCUMULATED DEPRECIATION	(65,089)	(5,141)	Exception No. 18	(70,230)
ACCUMULATED AMORTIZATION OF CIAC	8,165	0		8,165
ACCUMULATED AMORTIZATION OF AA	6,318	(6,318)	Exception No. 13	0
OTHER REGULATORY ASSET	5,533	4,939	Exception No. 23	10,472
TOTAL	<u>\$325,493</u>	<u>\$16,208</u>		<u>\$341,702</u>

EXHIBIT 35-A
PUTNAM COUNTY
RIVER GROVE UTILITY SYSTEM - 442
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$125,786	\$0		\$125,786
LAND & LAND RIGHTS	3,511	0		3,511
CONTRUCTION-WORK-IN-PROGRESS	64	0		64
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	415	(415)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(27,488)	0		(27,488)
ACCUMULATED DEPRECIATION	(68,491)	(687)	Exception No. 18	(69,178)
ACCUMULATED AMORTIZATION OF CIAC	23,072	0		23,072
ACCUMULATED AMORTIZATION OF AA	1,195	(1,195)	Exception No. 13	0
OTHER REGULATORY ASSET	3,143	2,634	Exception No. 23	5,777
TOTAL	<u>\$61,207</u>	<u>\$338</u>		<u>\$61,544</u>

EXHIBIT 36-A
PUTNAM COUNTY
SARATOGA HARBOUR UTILITY SYSTEM - 448
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$130,026	\$0		<u>\$130,026</u>
LAND & LAND RIGHTS	1,180	0		1,180
CONTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	4,220	(4,220)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(9,557)	0		(9,557)
ACCUMULATED DEPRECIATION	(33,538)	(6,777)	Exception No. 18	(40,316)
ACCUMULATED AMORTIZATION OF CIAC	1,452	0		1,452
ACCUMULATED AMORTIZATION OF AA	(2,210)	2,210	Exception No. 13	0
OTHER REGULATORY ASSET	1,342	(1,342)	Exception No. 23	0
TOTAL	<u>\$92,915</u>	<u>(\$10,129)</u>		<u>\$82,786</u>

EXHIBIT 37-A
PUTNAM COUNTY
SILVER LAKE OAKS UTILITY SYSTEM - 473
WATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$108,022	\$0		\$108,022
LAND & LAND RIGHTS	1,070	0		1,070
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(22,516)	22,516	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(4,719)	0		(4,719)
ACCUMULATED DEPRECIATION	(27,333)	(3,457)	Exception No. 18	(30,790)
ACCUMULATED AMORTIZATION OF CIAC	2,337	0		2,337
ACCUMULATED AMORTIZATION OF AA	6,087	(6,087)	Exception No. 13	0
OTHER REGULATORY ASSET	1,128	457	Exception No. 23	1,585
TOTAL	<u>\$64,077</u>	<u>\$13,429</u>		<u>\$77,506</u>

EXHIBIT 37-B
PUTNAM COUNTY
SILVER LAKE OAKS UTILITY SYSTEM - 473
WASTEWATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$98,044	\$0		\$98,044
LAND & LAND RIGHTS	6,602	0		6,602
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(2,962)	2,962	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(18,377)	0		(18,377)
ACCUMULATED DEPRECIATION	(66,122)	(3,457)	Exception No. 18	(69,579)
ACCUMULATED AMORTIZATION OF CIAC	10,866	0		10,866
ACCUMULATED AMORTIZATION OF AA	396	(396)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	3,973	(2,485)	Exception No. 23	1,488
TOTAL	<u>\$32,420</u>	<u>(\$3,376)</u>		<u>\$29,044</u>

EXHIBIT 38-A
PUTNAM COUNTY
ST. JOHN'S HIGHLANDS UTILITY SYSTEM - 471
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$25,712	\$0		\$25,712
LAND & LAND RIGHTS	1,037	0		1,037
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	465	(465)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(14,756)	0		(14,756)
ACCUMULATED DEPRECIATION	39,869	(8,245)	Exception No. 18	31,624
ACCUMULATED AMORTIZATION OF CIAC	5,864	0		5,864
ACCUMULATED AMORTIZATION OF AA	80	(80)	Exception No. 13	0
OTHER REGULATORY ASSET	2,660	2,007	Exception No. 23	4,667
TOTAL	<u>\$60,930</u>	<u>(\$6,782)</u>		<u>\$54,148</u>

EXHIBIT 39-A
PUTNAM COUNTY
WELAKA UTILITY SYSTEM - 447
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$79,312	\$0		\$79,312
LAND & LAND RIGHTS	3,684	0		3,684
CONSTRUCTION-WORK-IN-PROGRESS	32	0		32
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	4,005	(4,005)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(13,745)	0		(13,745)
ACCUMULATED DEPRECIATION	(23,833)	(4,889)	Exception No. 18	(28,722)
ACCUMULATED AMORTIZATION OF CIAC	3,700	0		3,700
ACCUMULATED AMORTIZATION OF AA	(2,267)	2,267	Exception No. 13	0
OTHER REGULATORY ASSET	2,864	4,890	Exception No. 23	7,754
TOTAL	<u>\$53,751</u>	<u>(\$1,737)</u>		<u>\$52,014</u>

EXHIBIT 40-A
PUTNAM COUNTY
WOOTEN UTILITY SYSTEM - 446
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$82,333	\$0		\$82,333
LAND & LAND RIGHTS	196	0		196
CONSTRUCTION-WORK-IN-PROGRESS	64	0		64
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	3,607	(3,607)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(8,346)	0		(8,346)
ACCUMULATED DEPRECIATION	(21,193)	(734)	Exception No. 18	(21,927)
ACCUMULATED AMORTIZATION OF CIAC	1,647	0		1,647
ACCUMULATED AMORTIZATION OF AA	(1,847)	1,847	Exception No. 13	0
OTHER REGULATORY ASSET	666	693	Exception No. 23	1,359
TOTAL	<u>\$57,126</u>	<u>(\$1,801)</u>		<u>\$55,325</u>

EXHIBIT 41-B
SEMINOLE COUNTY
FLORIDA CENTRAL COMMERCE PARK UTILITY SYSTEM - 340
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$1,369,521	(\$10,561)	Exception No. 7	\$1,358,960
LAND & LAND RIGHTS	130,000	0		130,000
CONSTRUCTION-WORK-IN-PROGRESS	24,405	0		24,405
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	41,452	(41,452)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(593,182)	0		(593,182)
ACCUMULATED DEPRECIATION	(717,081)	8,866	See below	(708,215)
ACCUMULATED AMORTIZATION OF CIAC	253,613	0		253,613
ACCUMULATED AMORTIZATION OF AA	(16,609)	16,609	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	35,472	(27,303)	Exception No. 23	8,169
TOTAL	<u>\$527,592</u>	<u>(\$53,841)</u>		<u>\$473,751</u>

Exception No.	7	18	Total
Amount	\$10,560	(1,694)	\$8,866

EXHIBIT 42-A
SEMINOLE COUNTY
HARMONY HOMES UTILITY SYSTEM - 326
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$79,030	\$0		\$79,030
LAND & LAND RIGHTS	1,667	(903)	Exception No. 9	764
CONSTRUCTION-WORK-IN-PROGRESS	1,212	0		1,212
PLANT HELD FOR FUTUR USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	(3,094)	3,094	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(498)	0		(498)
ACCUMULATED DEPRECIATION	(14,304)	(5,738)	Exception No. 18	(20,042)
ACCUMULATED AMORTIZATION OF CIAC	309	0		309
ACCUMULATED AMORTIZATION OF AA	1,300	(1,300)	Exception No. 13	0
OTHER REGULATORY ASSET	1,806	1,672	Exception No. 23	3,478
TOTAL	<u>\$67,428</u>	<u>(\$3,175)</u>		<u>\$64,253</u>

EXHIBIT 43-A
VOLUSIA COUNTY
JUNGLE DEN UTILITY SYSTEM - 1802
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$20,601	\$0		\$20,601
LAND & LAND RIGHTS	561	(301)	Exception No. 9	260
CONSTRUCTION-WORK-IN-PROGRESS	112	0		112
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	6,371	(6,371)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(10,649)	0		(10,649)
ACCUMULATED DEPRECIATION	(3,223)	(9,112)	Exception No. 18	(12,335)
ACCUMULATED AMORTIZATION OF CIAC	6,459	0		6,459
ACCUMULATED AMORTIZATION OF AA	(3,155)	3,155	Exception No. 13	0
OTHER REGULATORY ASSET	3,439	2,804	Exception No. 23	6,243
TOTAL	<u>\$20,516</u>	<u>(\$9,825)</u>		<u>\$10,691</u>

EXHIBIT 43-B
VOLUSIA COUNTY
JUNGLE DEN UTILITY SYSTEM - 1802
WASTEWATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$392,529	(\$34,102)	Exception No. 8	\$358,427
LAND & LAND RIGHTS	119,526	0		119,526
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	28,057	(28,057)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(131,113)	0		(131,113)
ACCUMULATED DEPRECIATION	(139,393)	15,058	See below	(124,335)
ACCUMULATED AMORTIZATION OF CIAC	66,026	0		66,026
ACCUMULATED AMORTIZATION OF AA	(10,909)	10,909	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	12,728	(6,236)	Exception No. 23	6,492
TOTAL	\$337,451	(\$42,428)		\$295,024

Exception No.	7	18	Total
Amount	\$24,170	(9,112)	\$15,058

EXHIBIT 44-A
VOLUSIA COUNTY
TOMOKA/TWIN RIVERS UTILITY SYSTEM - 1808
WATER RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$149,768	\$0		\$149,768
LAND & LAND RIGHTS	0	0		0
CONSTRUCTION-WORK-IN-PROGRESS	31,426	0		31,426
PLANT HELD FOR FUTURE USE	0	0		0
ACQUISITION ADJUSTMENT (AA)	31,870	(31,870)	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION (CIAC)	(1,235)	(46,878)	Exception No. 14	(48,113)
ACCUMULATED DEPRECIATION	(50,997)	0	Exception No. 18	(50,997)
ACCUMULATED AMORTIZATION OF CIAC	0	35,795	Exception No. 14	35,795
ACCUMULATED AMORTIZATION OF AA	(3,585)	3,585	Exception No. 13	0
OTHER REGULATORY ASSET	0	0	Exception No. 23	0
TOTAL	\$157,247	(\$39,368)		\$117,880

EXHIBIT 45-A
WASHINGTON COUNTY
SUNNY HILLS UTILITY SYSTEM - 2801
WATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$2,226,028	\$0		\$2,226,028
LAND & LAND RIGHTS	10,779	1,079	Exception No. 11	11,858
CONSTRUCTION-WORK-IN-PROGRESS	45,161	0		45,161
PLANT HELD FOR FUTURE USE	12,938	0		12,938
ACQUISITION ADJUSTMENT (AA)	(188,733)	188,733	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(160,992)	0		(160,992)
ACCUMULATED DEPRECIATION	(993,223)	(635)	Exception No. 18	(993,858)
ACCUMULATED AMORTIZATION OF CIAC	64,349	(2,066)	Exception No. 20	62,283
ACCUMULATED AMORTIZATION OF AA	48,840	(48,840)	Exception No. 13	0
OTHER REGULATORY ASSET	15,467	19,101	Exception No. 23	34,568
TOTAL	<u>\$1,080,613</u>	<u>\$157,372</u>		<u>\$1,237,986</u>

EXHIBIT 45-B
WASHINGTON COUNTY
SUNNY HILLS UTILITY SYSTEM - 2801
WASTEWATER RATE BASE AS OF JUNE 30, 2004

<u>DESCRIPTION</u>	<u>PER UTILITY</u>	<u>ADJUSTMENT</u>	<u>REFER TO</u>	<u>PER AUDIT</u>
UTILITY-PLANT-IN-SERVICE	\$609,746	\$0		\$609,746
LAND & LAND RIGHTS	4,483	451	Exception No. 11	4,934
CONSTRUCTION-WORK-IN-PROGRESS	0	0		0
PLANT HELD FOR FUTURE USE	5,442	0		5,442
ACQUISITION ADJUSTMENT (AA)	(78,973)	78,973	Exception No. 13	0
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(2,397)	0		(2,397)
ACCUMULATED DEPRECIATION	(433,327)	(635)	Exception No. 18	(433,962)
ACCUMULATED AMORTIZATION OF CIAC	1,231	170	Exception No. 20	1,401
ACCUMULATED AMORTIZATION OF AA	20,435	(20,435)	Exception No. 13	0
EXTRAORDINARY ABANDONMENT	0	0		0
OTHER REGULATORY ASSET	18,820	(8,910)	Exception No. 23	9,910
TOTAL	<u>\$145,460</u>	<u>\$49,614</u>		<u>\$195,074</u>

EXHIBIT 46-C
LAKE COUNTY
LAKE COUNTY UTILITY SYSTEM
GENERAL RATE BASE AS OF JUNE 30, 2004

DESCRIPTION	PER UTILITY	AUDIT ADJUSTMENT	REFER TO	PER AUDIT
UTILITY-PLANT-IN-SERVICE	\$130,581	(\$130,581)	Exception No. 24	\$0
ACCUMULATED DEPRECIATION	(51,331)	51,331	Exception No. 24	0
TOTAL	<u>\$79,250</u>	<u>(\$79,250)</u>		<u>\$0</u>