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**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

(Gross Revenue of Less Than \$200,000 Each)

# ***ANNUAL REPORT***

OF

SU287-04-AR  
Kevin J. Cherry  
Environmental Protection Systems of Pine Island, Inc.  
3039 York Road  
St. James City, FL 33956-2303

*Submitted To The*

***STATE OF FLORIDA***



05/11/05 9:17 AM  
Account Number: 1101

***PUBLIC SERVICE COMMISSION***

FOR THE

**YEAR ENDED DECEMBER 31, 2004**

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# **FINANCIAL SECTION**

REPORT OF

ENVIROMENTAL PROTECTION SYSTEMS OF PINE ISLAND, INC  
(EXACT NAME OF UTILITY)

3039 YORK ROAD  
ST JAMES CITY, FL 33956  
Mailing Address

Street Address County

Telephone Number 239-283-1144 Date Utility First Organized 3/29/69  
Fax Number 239-283-4029 E-mail Address CHERRYESTATES@AOL.COM  
Sunshine State One-Call of Florida, Inc. Member No. \_\_\_\_\_

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

Individual  Sub Chapter S Corporation  1120 Corporation  Partnership

Name, Address and phone where records are located: CHERRY ESTATES INC #239-283-1144  
3039 YORK ROAD ST JAMES CITY, FL 33956

Name of subdivisions where services are provided: CHERRY ESTATES

CONTACTS:

| Name   | Title                                | Principal Business Address  | Salary Charged Utility   |
|--|--------------------------------------|---|--|
| Person to send correspondence:<br><u>KEVIN J. CHERRY</u>                     | <u>PRESIDENT</u>                     | <u>SAME AS ABOVE</u>  |  |
| Person who prepared this report:<br><u>JOHN LISTICA</u><br><u>SUE HOPPER</u> | <u>CPA</u><br><u>SECRETARY</u>       | <u>9200-5 College Pkwy</u><br><u>FT MYERS, FL 33939</u><br><u>3039 YORK RD</u><br><u>SJ.C. FL 33956</u> |  |
| Officers and Managers:<br><u>KEVIN J CHERRY</u><br><u>SUSAN D. HOPPER</u>    | <u>PRESIDENT</u><br><u>SECRETARY</u> | <u>SAME AS ABOVE</u>  | \$ <u>30918</u><br>\$ <u>30918</u><br>\$ _____<br>\$ _____<br>\$ _____ |

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

| Name                     | Percent Ownership in Utility | Principal Business Address | Salary Charged Utility |
|--------------------------|------------------------------|----------------------------|------------------------|
| <u>KEVIN J CHERRY</u>    | <u>40.86</u>                 | <u>SAME AS ABOVE</u>       | \$ _____               |
| <u>SUSAN D. HOPPER</u>   | <u>25.98</u>                 | <u>" "</u>                 | \$ _____               |
| <u>RICHARD G. CHERRY</u> | <u>33.16</u>                 | <u>" "</u>                 | \$ _____               |
| _____                    | _____                        | _____                      | \$ _____               |
| _____                    | _____                        | _____                      | \$ _____               |
| _____                    | _____                        | _____                      | \$ _____               |

ENVIRONMENTAL PROTECTION SYSTEMS  
 UTILITY NAME: OF PINE ISLAND, INC.

YEAR OF REPORT  
 DECEMBER 31, 2004

INCOME STATEMENT

| Account Name                                      | Ref. Page  | Water    | Wastewater       | Other    | Total Company    |
|---|------------|----------|------------------|----------|------------------|
| Gross Revenue:                                    |            |          |                  |          |                  |
| Residential _____                                 |            | \$ _____ | \$ <u>215682</u> | \$ _____ | \$ <u>215682</u> |
| Commercial _____                                  |            | _____    | <u>6577</u>      | _____    | <u>6577</u>      |
| Industrial _____                                  |            | _____    | _____            | _____    | _____            |
| Multiple Family _____                             |            | _____    | _____            | _____    | _____            |
| Guaranteed Revenues _____                         |            | _____    | _____            | _____    | _____            |
| Other (Specify) _____                             |            | _____    | _____            | _____    | _____            |
| Total Gross Revenue _____                         |            | \$ _____ | \$ <u>222259</u> | \$ _____ | \$ <u>222259</u> |
| Operation Expense (Must tie to pages W-3 and S-3) | W-3<br>S-3 | \$ _____ | \$ <u>162265</u> | \$ _____ | \$ <u>162265</u> |
| Depreciation Expense _____                        | F-5        | _____    | <u>21639</u>     | _____    | <u>21639</u>     |
| CIAC Amortization Expense _____                   | F-8        | _____    | <u>(3995)</u>    | _____    | <u>(3995)</u>    |
| Taxes Other Than Income _____                     | F-7        | _____    | <u>10152</u>     | _____    | <u>10152</u>     |
| Income Taxes _____                                | F-7        | _____    | <u>—</u>         | _____    | <u>—</u>         |
| Total Operating Expense                           |            | \$ _____ | <u>190061</u>    | _____    | \$ <u>190061</u> |
| Net Operating Income (Loss)                       |            | \$ _____ | \$ <u>32198</u>  | \$ _____ | \$ <u>32198</u>  |
| Other Income:                                     |            |          |                  |          |                  |
| Nonutility Income <u>DISCOUNT</u>                 |            | \$ _____ | \$ <u>18</u>     | \$ _____ | \$ <u>18</u>     |
| <u>INTEREST INCOME</u>                            |            | _____    | <u>106</u>       | _____    | <u>106</u>       |
| <u>RETURNED CHECK CHARGES</u>                     |            | _____    | <u>13</u>        | _____    | <u>13</u>        |
| Other Deductions:                                 |            |          |                  |          |                  |
| Miscellaneous Nonutility Expenses _____           |            | \$ _____ | \$ _____         | \$ _____ | \$ _____         |
| Interest Expense _____                            |            | _____    | <u>(4959)</u>    | _____    | <u>(4959)</u>    |
| _____   |            | _____    | _____            | _____    | _____            |
| _____   |            | _____    | _____            | _____    | _____            |
| Net Income (Loss)                                 |            | \$ _____ | \$ <u>27376</u>  | \$ _____ | \$ <u>27376</u>  |

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, INC.

YEAR OF REPORT  
DECEMBER 31, 2004

COMPARATIVE BALANCE SHEET

| ACCOUNT NAME   | Reference Page | Current Year     | Previous Year     |
|--|----------------|------------------|-------------------|
| <b>Assets:</b>   |                |                  |                   |
| Utility Plant in Service (101-105) -----                           | F-5,W-1,S-1    | \$ <u>560129</u> | \$ <u>340584</u>  |
| Accumulated Depreciation and Amortization (108) -----              | F-5,W-2,S-2    | <u>217962</u>    | <u>196323</u>     |
| Net Utility Plant -----  |                | \$ <u>342167</u> | \$ <u>144261</u>  |
| Cash -----   |                | <u>43839</u>     | <u>36436</u>      |
| Customer Accounts Receivable (141) -----                           |                | <u>4929</u>      | <u>3528</u>       |
| Other Assets (Specify): -----                                      |                |                  |                   |
| <del>PRE-PAID INSURANCE</del>                                      |                | <u>102</u>       | <u>102</u>        |
| <del>INTER COMPANY RECEIVABLE</del>                                |                | <u>31052</u>     | <u>1495</u>       |
| <del>NET RATE CASE EXPENSES</del>                                  |                | <u>33493</u>     | <u>35179</u>      |
| Total Assets -----   |                | \$ <u>455582</u> | \$ <u>221,001</u> |
| <b>Liabilities and Capital:</b>                                    |                |                  |                   |
| Common Stock Issued (201) -----                                    | F-6            | <u>500</u>       | <u>500</u>        |
| Preferred Stock Issued (204) -----                                 | F-6            |                  |                   |
| Other Paid in Capital (211) -----                                  |                | <u>186864</u>    | <u>186864</u>     |
| Retained Earnings (215) -----                                      | F-6            | <u>(108837)</u>  | <u>(136213)</u>   |
| Proprietary Capital (Proprietary and partnership only) (218) ----- | F-6            |                  |                   |
| Total Capital -----  |                | \$ <u>78527</u>  | \$ <u>51151</u>   |
| Long Term Debt (224) -----   | F-6            | \$               | \$                |
| Accounts Payable (231) -----                                       |                | <u>1500</u>      |                   |
| Notes Payable (232) -----  |                | <u>200,000</u>   | <u>113,038</u>    |
| Customer Deposits (235) -----                                      |                | <u>2807.</u>     |                   |
| Accrued Taxes (236) -----  |                |                  |                   |
| Other Liabilities (Specify) -----                                  |                |                  |                   |
| <del>INTEL COMPANY PAYABLE</del>                                   |                | <u>92,227</u>    |                   |
| <del>REGULATORY ASS. FEE</del>                                     |                | <u>10,002</u>    |                   |
| Advances for Construction -----                                    |                |                  |                   |
| Contributions in Aid of Construction - Net (271-272) -----         | F-8            | <u>70519</u>     | <u>53601</u>      |
| Total Liabilities and Capital -----                                |                | \$ <u>455582</u> | \$ <u>221,001</u> |

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND INC

YEAR OF REPORT  
DECEMBER 31, 2004

GROSS UTILITY PLANT

| Plant Accounts:<br>(101 - 107) inclusive     | Water    | Wastewater       | Plant other<br>Than<br>Reporting<br>Systems | Total            |
|--|----------|------------------|---|------------------|
| Utility Plant in Service (101)               | \$ _____ | \$ <u>560129</u> | \$ _____                                    | \$ <u>560129</u> |
| Construction Work in Progress<br>(105) _____ | _____    | _____            | _____                                       | _____            |
| Other (Specify) _____                        | _____    | _____            | _____                                       | _____            |
| _____  | _____    | _____            | _____                                       | _____            |
| _____  | _____    | _____            | _____                                       | _____            |
| Total Utility Plant _____                    | \$ _____ | \$ <u>560129</u> | \$ _____                                    | \$ <u>560129</u> |

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

| Account 108                                       | Water    | Wastewater       | Other Than<br>Reporting<br>Systems | Total            |
|---|----------|------------------|------------------------------------|------------------|
| Balance First of Year _____                       | \$ _____ | \$ <u>196323</u> | \$ _____                           | \$ <u>196323</u> |
| <b>Add Credits During Year:</b>                   |          |                  |                                    |                  |
| Accruals charged to<br>depreciation account _____ | \$ _____ | \$ <u>21639</u>  | \$ _____                           | \$ <u>21639</u>  |
| Salvage _____                                     | _____    | _____            | _____                              | _____            |
| Other Credits (specify) _____                     | _____    | _____            | _____                              | _____            |
| _____   | _____    | _____            | _____                              | _____            |
| Total Credits _____                               | \$ _____ | \$ <u>21639</u>  | \$ _____                           | \$ <u>21639</u>  |
| <b>Deduct Debits During Year:</b>                 |          |                  |                                    |                  |
| Book cost of plant<br>retired _____               | \$ _____ | \$ _____         | \$ _____                           | \$ _____         |
| Cost of removal _____                             | _____    | _____            | _____                              | _____            |
| Other debits (specify) _____                      | _____    | _____            | _____                              | _____            |
| _____   | _____    | _____            | _____                              | _____            |
| Total Debits _____                                | \$ _____ | \$ _____         | \$ _____                           | \$ _____         |
| Balance End of Year _____                         | \$ _____ | \$ <u>217962</u> | \$ _____                           | \$ <u>217962</u> |

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, INC

YEAR OF REPORT  
DECEMBER 31, 2004

CAPITAL STOCK ( 201 - 204 )

|   | Common Stock | Preferred Stock |
|---|--------------|-----------------|
| Par or stated value per share _____         | <u>500</u>   | _____           |
| Shares authorized _____                     | <u>5000</u>  | _____           |
| Shares issued and outstanding _____         | <u>5000</u>  | _____           |
| Total par value of stock issued _____       | <u>.10</u>   | _____           |
| Dividends declared per share for year _____ | <u>- 0 -</u> | _____           |

RETAINED EARNINGS ( 215 )

|  | Appropriated   | Un-Appropriated       |
|--|----------------|-----------------------|
| Balance first of year _____                          | \$ _____       | \$ <u>(136213)</u>    |
| Changes during the year (Specify):<br>_____<br>_____ | _____<br>_____ | <u>27376</u><br>_____ |
| Balance end of year _____                            | \$ _____       | \$ <u>(108837)</u>    |

PROPRIETARY CAPITAL ( 218 )

|  | Proprietor Or Partner | Partner        |
|--|-----------------------|----------------|
| Balance first of year _____                          | \$ _____              | \$ _____       |
| Changes during the year (Specify):<br>_____<br>_____ | _____<br>_____        | _____<br>_____ |
| Balance end of year _____                            | \$ _____              | \$ <u>N/A</u>  |

LONG TERM DEBT ( 224 )

| Description of Obligation (Including Date of Issue and Date of Maturity): | Interest       |                | Principal per Balance Sheet Date |
|---|----------------|----------------|----------------------------------|
|   | Rate           | # of Pymts     |                                  |
| _____<br>_____  | _____<br>_____ | _____<br>_____ | \$ _____<br>_____                |
| Total _____   |                |                | \$ <u>N/A</u>                    |



UTILITY NAME: ENVIRONMENTAL PROTECTION  
SYSTEMS OF PINE ISLAND, INC.

YEAR OF REPORT  
 DECEMBER 31, 2004

**TAX EXPENSE**

| (a)                                   | Water<br>(b) | Wastewater<br>(c) | Other<br>(d) | Total<br>(e) |
|---------------------------------------|--------------|-------------------|--------------|--------------|
| Income Taxes:                         |              |                   |              |              |
| Federal income tax _____              | \$ _____     | \$ _____          | \$ _____     | \$ _____     |
| State income Tax _____                | _____        | _____             | _____        | _____        |
| Taxes Other Than Income:              |              |                   |              |              |
| State ad valorem tax _____            | _____        | _____             | _____        | _____        |
| Local property tax _____              | _____        | _____             | _____        | _____        |
| Regulatory assessment fee _____       | _____        | 10002             | _____        | 10002        |
| Other (Specify) <u>corp fee</u> _____ | _____        | 150               | _____        | 150          |
| _____                                 | _____        | _____             | _____        | _____        |
| Total Tax Expense _____               | \$ _____     | \$ 10152          | \$ _____     | \$ 10,152    |

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

| Name of Recipient          | Water Amount | Wastewater Amount | Description of Service   |
|----------------------------|--------------|-------------------|--------------------------|
| <u>BATEMAN CONTRACTING</u> | \$ _____     | \$ 90216-         | <u>CONSTRUCTION</u>      |
| <u>CHERRY EDGAR</u>        | \$ _____     | \$ 1589-          | <u>ATTORNEY</u>          |
| <u>ISLAND COMPUTEL</u>     | \$ _____     | \$ 1996-          | <u>COMPUTER</u>          |
| <u>JOHN USTICA</u>         | \$ _____     | \$ 6150-          | <u>CPA</u>               |
| <u>ROSE SWINDSTROM</u>     | \$ _____     | \$ 1527-          | <u>ATTORNEY</u>          |
| <u>RVS SOFTWARE</u>        | \$ _____     | \$ 2952-          | <u>COMPUTER SOFTWARE</u> |
| <u>SEWER VIEWER</u>        | \$ _____     | \$ 12532-         | <u>TV LINES</u>          |
| <u>SOURCE INC</u>          | \$ _____     | \$ 10,837         | <u>ENGINEER</u>          |
| <u>W.W. WATER SYSTEMS</u>  | \$ _____     | \$ 10745          | <u>ENGINEERING</u>       |
| _____                      | \$ _____     | \$ _____          | _____                    |
| _____                      | \$ _____     | \$ _____          | _____                    |

UTILITY NAME: ENVIRONMENTAL PROTECTION  
SYSTEMS OF PINE ISLAND, INC.

YEAR OF REPORT  
 DECEMBER 31, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

| (a)                                     | Water<br>(b) | Wastewater<br>(c) | Total<br>(d)     |
|---|--------------|-------------------|------------------|
| 1) Balance first of year _____          | \$ _____     | \$ <u>125736</u>  | \$ <u>125736</u> |
| 2) Add credits during year _____        | \$ _____     | \$ <u>20913</u>   | \$ <u>20913</u>  |
| 3) Total _____                          | _____        | <u>146649</u>     | <u>146649</u>    |
| 4) Deduct charges during the year _____ | _____        | _____             | _____            |
| 5) Balance end of year _____            | _____        | <u>146649</u>     | <u>146649</u>    |
| 6) Less Accumulated Amortization _____  | _____        | <u>76130</u>      | <u>76130</u>     |
| 7) Net CIAC _____                       | \$ _____     | \$ <u>70519</u>   | \$ <u>70519</u>  |

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

| Report below all developers or contractors agreements from which cash or property was received during the year.     | Indicate "Cash" or "Property" | Water                 | Wastewater      |
|---|-------------------------------|-----------------------|-----------------|
| _____   | _____                         | _____                 | _____           |
| _____   | _____                         | _____                 | _____           |
| _____   | _____                         | _____                 | _____           |
| _____   | _____                         | _____                 | _____           |
| _____   | _____                         | _____                 | _____           |
| Sub-total _____   | _____                         | \$ _____              | \$ _____        |
| Report below all capacity charges, main extension charges and customer connection charges received during the year. |                               |                       |                 |
| Description of Charge   | Number of Connections         | Charge per Connection |                 |
| SERVICE AVAILABILITY OLD  | <u>2</u>                      | \$ <u>110</u>         | \$ _____        |
| SERVICE " NEW   | <u>1</u>                      | <u>1388</u>           | \$ <u>220</u>   |
| " " RV. 1/2   | <u>66</u>                     | <u>292.50</u>         | \$ <u>1388</u>  |
|   |                               |                       | \$ <u>19305</u> |
| Total Credits During Year (Must agree with line # 2 above.) _____   |                               | \$ _____              | \$ <u>20913</u> |

ACCUMULATED AMORTIZATION OF CIAC (272)

|  | Water    | Wastewater      | Total           |
|--|----------|-----------------|-----------------|
| Balance First of Year _____                                | \$ _____ | \$ <u>72135</u> | \$ <u>72135</u> |
| Add Debits During Year: _____                              | _____    | <u>3995</u>     | <u>3995</u>     |
| Deduct Credits During Year: _____                          | _____    | _____           | _____           |
| Balance End of Year (Must agree with line #6 above.) _____ | \$ _____ | \$ <u>76130</u> | \$ <u>76130</u> |

**\*\* COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR \*\***

UTILITY NAME: ENVIRONMENTAL PROTECTION  
SYSTEMS OF PINE ISLAND, INC.

|                                     |
|-------------------------------------|
| YEAR OF REPORT<br>DECEMBER 31, 2004 |
|-------------------------------------|

**SCHEDULE "A"**

**SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)**

| Class of Capital<br>(a)     | Dollar<br>Amount<br>(b) | Percentage<br>of<br>Capital<br>(c) | Actual<br>Cost<br>Rates<br>(d) | Weighted<br>Cost<br>[ c x d ]<br>(e) |
|-----------------------------|-------------------------|------------------------------------|--------------------------------|--------------------------------------|
| Common Equity               | \$ _____                | _____ %                            | _____ %                        | _____ %                              |
| Preferred Stock             | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Long Term Debt              | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Customer Deposits           | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Tax Credits - Zero Cost     | _____                   | _____ %                            | 0.00 %                         | _____ %                              |
| Tax Credits - Weighted Cost | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Deferred Income Taxes       | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Other (Explain)             | _____                   | _____ %                            | _____ %                        | _____ %                              |
| Total                       | \$ <u>N/A</u>           | <u>100.00</u> %                    |                                | <u>N/A</u> %                         |

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

**APPROVED AFUDC RATE**

|   |              |
|---|--------------|
| Current Commission approved AFUDC rate:       | <u>N/A</u> % |
| Commission Order Number approving AFUDC rate: | <u>N/A</u>   |



# **WATER OPERATING SECTION**

**Note:** This utility is a wastewater only service; therefore, Pages W-1 through W-7 have been omitted from this report.

**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, INC.

|                                     |
|-------------------------------------|
| YEAR OF REPORT<br>DECEMBER 31, 2004 |
|-------------------------------------|

**WASTEWATER UTILITY PLANT ACCOUNTS**

| Acct. No. (a) | Account Name (b)                                 | Previous Year (c) | Additions (d)    | Retirements (e) | Current Year (f)   |
|---------------|--|-------------------|------------------|-----------------|--------------------|
| 351           | Organization _____                               | \$ _____          | \$ _____         | \$ _____        | \$ _____           |
| 352           | Franchises _____                                 | _____             | _____            | _____           | _____              |
| 353           | Land and Land Rights _____                       | _____             | _____            | _____           | _____              |
| 354           | Structures and Improvements _____                | <u>94072</u>      | _____            | _____           | <u>94072</u>       |
| 355           | Power Generation Equipment _____                 | _____             | _____            | _____           | _____              |
| 360           | Collection Sewers - Force _____                  | <u>46324</u>      | _____            | _____           | <u>46324</u>       |
| 361           | Collection Sewers - Gravity _____                | <u>121608</u>     | _____            | _____           | <u>121608</u>      |
| 362           | Special Collecting Structures _____              | _____             | _____            | _____           | _____              |
| 363           | Services to Customers _____                      | <u>7920</u>       | _____            | _____           | <u>7920</u>        |
| 364           | Flow Measuring Devices _____                     | _____             | _____            | _____           | _____              |
| 365           | Flow Measuring Installations _____               | _____             | _____            | _____           | _____              |
| 370           | Receiving Wells _____                            | <u>9906</u>       | <u>102892</u>    | _____           | <u>112798</u>      |
| 371           | Pumping Equipment _____                          | _____             | _____            | _____           | _____              |
| 380           | Treatment and Disposal<br>Equipment _____        | <u>27425</u>      | _____            | _____           | <u>27425</u>       |
| 381           | Plant Sewers _____                               | _____             | _____            | _____           | _____              |
| 382           | Outfall Sewer Lines _____                        | _____             | _____            | _____           | _____              |
| 389           | Other Plant and Miscellaneous<br>Equipment _____ | <u>29105</u>      | <u>111913</u>    | _____           | <u>141018</u>      |
| 390           | Office Furniture and<br>Equipment _____          | <u>4224</u>       | <u>4740</u>      | _____           | <u>8964</u>        |
| 391           | Transportation Equipment _____                   | _____             | _____            | _____           | _____              |
| 392           | Stores Equipment _____                           | _____             | _____            | _____           | _____              |
| 393           | Tools, Shop and Garage<br>Equipment _____        | _____             | _____            | _____           | _____              |
| 394           | Laboratory Equipment _____                       | _____             | _____            | _____           | _____              |
| 395           | Power Operated Equipment _____                   | _____             | _____            | _____           | _____              |
| 396           | Communication Equipment _____                    | _____             | _____            | _____           | _____              |
| 397           | Miscellaneous Equipment _____                    | _____             | _____            | _____           | _____              |
| 398           | Other Tangible Plant _____                       | _____             | _____            | _____           | _____              |
|               | Total Wastewater Plant _____                     | \$ <u>340584</u>  | \$ <u>219545</u> | \$ <u>—</u>     | \$ <u>560129</u> * |

\* This amount should tie to sheet F-5.

UTILITY NAME: ENVIRONMENTAL PROTECTION  
SYSTEMS OF THE ISLAND INC.

YEAR OF REPORT  
 DECEMBER 31, 2004

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

| Acct. No. (a) | Account (b)                             | Average Service Life in Years (c) | Average Salvage in Percent (d) | Depr. Rate Applied (e) | Accumulated Depreciation Balance Previous Year (f) | Debits (g) | Credits (h) | Accum. Depr. Balance End of Year (f-g+h=i) (i) |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|------------|-------------|--|
| 354           | Structures and Improvements             | 40                                | %                              | .025%                  | \$ 70184   | \$         | \$ 2352     | \$ 72536                                       |
| 355           | Power Generation Equipment              |                                   | %                              |                        |  |            |             |  |
| 360           | Collection Sewers - Force               | 27                                | %                              | .037%                  | 29719  |            | 1714        | 31433  |
| 361           | Collection Sewers - Gravity             | 40                                | %                              | .025%                  | 76551  |            | 3040        | 79591  |
| 362           | Special Collecting Structures           |                                   | %                              |                        |  |            |             |  |
| 363           | Services to Customers                   | 35                                | %                              | .02857%                | 5014   |            | 226         | 5240   |
| 364           | Flow Measuring Devices                  |                                   | %                              |                        |  |            |             |  |
| 365           | Flow Measuring Installations            |                                   | %                              |                        |  |            |             |  |
| 370           | Receiving Wells                         | 22                                | %                              | .045%                  | 6398   |            | 5076        | 11474  |
| 371           | Pumping Equipment                       |                                   | %                              |                        |  |            |             |  |
| 380           | Treatment and Disposal Equipment        | 40                                | %                              | .025%                  | 6298   |            | 686         | 6984   |
| 381           | Plant Sewers                            |                                   | %                              |                        |  |            |             |  |
| 382           | Outfall Sewer Lines                     |                                   | %                              |                        |  |            |             |  |
| 389           | Other Plant and Miscellaneous Equipment | 20                                | %                              | .05%                   | 1455   |            | 7051        | 8506   |
| 390           | Office Furniture and Equipment          | 6                                 | %                              | .1667%                 | 704  |            | 1494        | 2198   |
| 391           | Transportation Equipment                |                                   | %                              |                        |  |            |             |  |
| 392           | Stores Equipment                        |                                   | %                              |                        |  |            |             |  |
| 393           | Tools, Shop and Garage Equipment        |                                   | %                              |                        |  |            |             |  |
| 394           | Laboratory Equipment                    |                                   | %                              |                        |  |            |             |  |
| 395           | Power Operated Equipment                |                                   | %                              |                        |  |            |             |  |
| 396           | Communication Equipment                 |                                   | %                              |                        |  |            |             |  |
| 397           | Miscellaneous Equipment                 |                                   | %                              |                        |  |            |             |  |
| 398           | Other Tangible Plant                    |                                   | %                              |                        |  |            |             |  |
|               | Totals                                  |                                   |                                |                        | \$ 196323  | \$         | \$ 21639    | \$ 217962 *                                    |

\* This amount should tie to Sheet F-5.



UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, INC.

YEAR OF REPORT  
DECEMBER 31, 2004

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

| Acct. No. | Account Name  | Amount     |
|-----------|---|------------|
| 701       | Salaries and Wages - Employees                                      | \$ 7041    |
| 703       | Salaries and Wages - Officers, Directors, and Majority Stockholders | 67056      |
| 704       | Employee Pensions and Benefits                                      | 378        |
| 710       | Purchased Wastewater Treatment                                      |            |
| 711       | Sludge Removal Expense  | 5271       |
| 715       | Purchased Power   | 10615      |
| 716       | Fuel for Power Production   |            |
| 718       | Chemicals   | 4007       |
| 720       | Materials and Supplies  |            |
| 730       | Contractual Services:   |            |
|           | Billing   |            |
|           | Professional  | 10297      |
|           | Testing   | 1419       |
|           | Other   | 6240       |
| 740       | Rents   | 10000      |
| 750       | Transportation Expense  |            |
| 755       | Insurance Expense   | 4298       |
| 765       | Regulatory Commission Expenses (Amortized Rate Case Expense)        | 11408      |
| 770       | Bad Debt Expense  |            |
| 775       | Miscellaneous Expenses  | 24235      |
|           | Total Wastewater Operation And Maintenance Expense                  | \$ 162265* |

\* This amount should tie to Sheet F-3.

**WASTEWATER CUSTOMERS**

| Description<br>(a)                                 | Type of Meter **<br>(b) | Equivalent Factor<br>(c) | Number of Active Customers |                    | Number of Equivalents<br>(c x e)<br>(f) |
|--|-------------------------|--------------------------|----------------------------|--------------------|---|
|  |                         |                          | Start of Year<br>(d)       | End of Year<br>(e) |   |
| Residential Service                                |                         |                          |                            |                    |   |
| All meter sizes                                    | D                       | 1.0                      | 460                        | 461                |   |
| General Service                                    |                         |                          |                            |                    |   |
| 5/8"   | D                       | 1.0                      |                            |                    |   |
| 3/4"   | D                       | 1.5                      |                            |                    |   |
| 1"   | D                       | 2.5                      |                            |                    |   |
| 1 1/2"   | D,T                     | 5.0                      |                            |                    |   |
| 2"   | D,C,T                   | 8.0                      |                            |                    |   |
| 3"   | D                       | 15.0                     |                            |                    |   |
| 3"   | C                       | 16.0                     |                            |                    |   |
| 3"   | T                       | 17.5                     |                            |                    |   |
| Unmetered Customers                                |                         |                          |                            |                    |   |
| Other (Specify)                                    |                         |                          |                            |                    |   |
| ** D = Displacement<br>C = Compound<br>T = Turbine |                         |                          | Total                      | 460                | 461                                     |

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, JNC

YEAR OF REPORT  
 DECEMBER 31, 2004

**PUMPING EQUIPMENT**

|   |                                 |                               |                             |                                  |              |              |
|---|---------------------------------|-------------------------------|-----------------------------|----------------------------------|--------------|--------------|
| Lift Station Number _____                     | <u>01</u>                       | <u>02</u>                     | <u>01</u>                   | <u>02</u>                        | <u>01</u>    | <u>01</u>    |
| Make or Type and nameplate data on pump _____ | <u>HYDRO</u><br><u>5150-A61</u> | <u>HYDRO</u><br><u>0-5150</u> | <u>PEARSON</u><br><u>60</u> | <u>BARNES</u><br><u>9YC110V.</u> | <u>myers</u> | <u>myers</u> |
| Year installed _____                          | <u>1974</u>                     | <u>1975</u>                   | <u>1995</u>                 | <u>1995</u>                      | <u>2004</u>  | <u>2004</u>  |
| Rated capacity _____                          |                                 |                               |                             |                                  |              |              |
| Size _____                                    | <u>1 1/2 HP</u>                 | <u>1 1/2 HP</u>               | <u>1 1/2 HP</u>             | <u>1 1/2 HP</u>                  | <u>10 HP</u> | <u>10 HP</u> |
| Power:  |                                 |                               |                             |                                  |              |              |
| Electric _____                                | <u>X</u>                        | <u>X</u>                      | <u>X</u>                    | <u>X</u>                         | <u>X</u>     | <u>X</u>     |
| Mechanical _____                              |                                 |                               |                             |                                  |              |              |
| Nameplate data of motor _____                 |                                 |                               |                             |                                  |              |              |

**SERVICE CONNECTIONS**

|   |            |  |  |  |  |  |
|---|------------|--|--|--|--|--|
| Size (inches) _____   | <u>4"</u>  |  |  |  |  |  |
| Type (PVC, VCP, etc.) _____                                 | <u>PVC</u> |  |  |  |  |  |
| Average length _____  | <u>25'</u> |  |  |  |  |  |
| Number of active service connections _____                  | <u>461</u> |  |  |  |  |  |
| Beginning of year _____                                     | <u>460</u> |  |  |  |  |  |
| Added during year _____                                     | <u>1</u>   |  |  |  |  |  |
| Retired during year _____                                   |            |  |  |  |  |  |
| End of year _____   | <u>461</u> |  |  |  |  |  |
| Give full particulars concerning inactive connections _____ |            |  |  |  |  |  |

**COLLECTING AND FORCE MAINS**

|                                     | Collecting Mains |             |              |             |            | Force Mains |  |  |
|-------------------------------------|------------------|-------------|--------------|-------------|------------|-------------|--|--|
| Size (inches) _____                 | <u>10"</u>       | <u>8"</u>   | <u>8"</u>    | <u>6"</u>   | <u>8"</u>  | <u>4"</u>   |  |  |
| Type of main _____                  | <u>PVC</u>       | <u>PVC</u>  | <u>VCP</u>   | <u>VCP</u>  | <u>PVC</u> |             |  |  |
| Length of main (nearest foot) _____ | <u>1993</u>      | <u>1707</u> | <u>11291</u> | <u>1350</u> | <u>941</u> | <u>674</u>  |  |  |
| Beginning of year _____             |                  |             |              |             |            |             |  |  |
| Added during year _____             |                  |             |              |             |            |             |  |  |
| Retired during year _____           |                  |             |              |             |            |             |  |  |
| End of year _____                   | <u>1993</u>      | <u>1707</u> | <u>11291</u> | <u>1350</u> | <u>941</u> | <u>674</u>  |  |  |

**MANHOLES**

|                           |            |  |  |  |
|---------------------------|------------|--|--|--|
| Size (inches) _____       | <u>48"</u> |  |  |  |
| Type of Manhole _____     |            |  |  |  |
| Number of Manholes:       |            |  |  |  |
| Beginning of year _____   | <u>40</u>  |  |  |  |
| Added during year _____   | <u>4</u>   |  |  |  |
| Retired during year _____ |            |  |  |  |
| End of Year _____         | <u>44</u>  |  |  |  |

UTILITY NAME: ENVIRONMENTAL PROTECTION  
SYSTEMS OF PINE ISLAND, INC.  
 SYSTEM NAME: \_\_\_\_\_

|                                     |
|-------------------------------------|
| YEAR OF REPORT<br>DECEMBER 31, 2004 |
|-------------------------------------|

**TREATMENT PLANT**

|   |                                |       |       |
|---|--------------------------------|-------|-------|
| Manufacturer _____                        | <u>DEETANCE</u>                | _____ | _____ |
| Type _____                                | <u>CONTACT STABILIZATION</u>   | _____ | _____ |
| "Steel" or "Concrete" _____               | <u>CONCRETE</u>                | _____ | _____ |
| Total Permitted Capacity _____            | <u>95,000</u>                  | _____ | _____ |
| Average Daily Flow _____                  | <u>44,435</u>                  | _____ | _____ |
| Method of Effluent Disposal _____         | <u>PERCOLATION/EVAPORATION</u> | _____ | _____ |
| Permitted Capacity of Disposal _____      | <u>95,000</u>                  | _____ | _____ |
| Total Gallons of Wastewater treated _____ | <u>16,219,000</u>              | _____ | _____ |

**MASTER LIFT STATION PUMPS**

|                                      |                   |       |       |       |       |       |
|--------------------------------------|-------------------|-------|-------|-------|-------|-------|
| Manufacturer _____                   | <u>Hydro</u>      | _____ | _____ | _____ | _____ | _____ |
| Capacity (GPM's) _____               | <u>95,000</u>     | _____ | _____ | _____ | _____ | _____ |
| Motor:                               |                   |       |       |       |       |       |
| Manufacturer _____                   | <u>Hydro</u>      | _____ | _____ | _____ | _____ | _____ |
| Horsepower _____                     | <u>1/4 HP</u>     | _____ | _____ | _____ | _____ | _____ |
| Power (Electric or Mechanical) _____ | <u>Electrical</u> | _____ | _____ | _____ | _____ | _____ |

**PUMPING WASTEWATER STATISTICS**

| Months               | Gallons of Treated Wastewater | Effluent Reuse Gallons to Customers | Effluent Gallons Disposed of on site |
|----------------------|-------------------------------|-------------------------------------|--------------------------------------|
| January _____        | <u>1,949</u>                  | _____                               | _____                                |
| February _____       | <u>1,858</u>                  | _____                               | _____                                |
| March _____          | <u>1,732</u>                  | _____                               | _____                                |
| April _____          | <u>1,430</u>                  | _____                               | _____                                |
| May _____            | <u>1,052</u>                  | _____                               | _____                                |
| June _____           | <u>.843</u>                   | _____                               | _____                                |
| July _____           | <u>1,438</u>                  | _____                               | _____                                |
| August _____         | <u>1,217</u>                  | _____                               | _____                                |
| September _____      | <u>.842</u>                   | _____                               | _____                                |
| October _____        | <u>.988</u>                   | _____                               | _____                                |
| November _____       | <u>1,281</u>                  | _____                               | _____                                |
| December _____       | <u>1,589</u>                  | _____                               | _____                                |
| Total for year _____ | <u>16,219,000</u>             | _____                               | _____                                |

If Wastewater Treatment is purchased, indicate the vendor: \_\_\_\_\_

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS  
OF PINE ISLAND, INC.  
SYSTEM NAME: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2004

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs\* now being served. 461
2. Maximum number of ERCs\* which can be served. 540
3. Present system connection capacity (in ERCs\*) using existing lines. 482
4. Future connection capacity (in ERCs\*) upon service area buildout. 540
5. Estimated annual increase in ERCs\*. 2
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
PER PEC INTERCONNECT TO COUNTY FACILITY. TO BE COMPLETED IN 2004.
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A  
If so, when? \_\_\_\_\_
9. Has the utility been required by the DEP or water management district to implement reuse? N/A  
If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_
10. When did the company last file a capacity analysis report with the DEP? JUNE 2002
11. If the present system does not meet the requirements of DEP rules, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
12. Department of Environmental Protection ID # FLA014677

\* An ERC is determined based on one of the following methods:  
(a) If actual flow data are available from the preceding 12 months:  
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.  
(b) If no historical flow data are available use:  
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

UTILITY NAME: ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND, JINC

YEAR OF REPORT  
DECEMBER 31, 2004

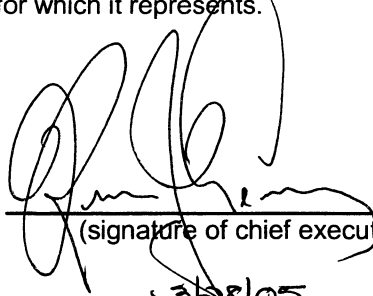
# CERTIFICATION OF ANNUAL REPORT

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

- YES  NO  1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.
- YES  NO  2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES  NO  3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.
- YES  NO  4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

### Items Certified

1.  2.  3.  4.



(signature of chief executive officer of the utility) \*

Date: 3/28/05

1.  2.  3.  4.

(signature of chief financial officer of the utility) \*

Date: 3/28/05

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

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

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class C**

Company: ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND, INC.

For the Year Ended December 31, 2004

| (a)   | (b)  | (c)  | (d)                     |
|---|--|--|-------------------------|
| Accounts  | Gross Wastewater<br>Revenues Per<br>Sch. F-3 | Gross Wastewater<br>Revenues Per<br>RAF Return | Difference<br>(b) - (c) |
| Gross Revenue:  |  |  |                         |
| Residential   | \$ 215682                                    | \$ 21582                                       | \$ 0                    |
| Commercial  | 6577   | 6577   | 0                       |
| Industrial  | _____  | _____  | _____                   |
| Multiple Family   | _____  | _____  | _____                   |
| Guaranteed Revenues   | _____  | _____  | _____                   |
| Other   | _____  | _____  | _____                   |
| <b>Total Wastewater Operating Revenue</b>                                     | <b>\$ 222 259</b>                            | <b>\$ 222 259</b>                              | <b>\$ 0</b>             |
| <b>LESS: Expense for Purchased Wastewater<br/>from FPSC-Regulated Utility</b> | <b>—</b>                                     | <b>—</b>                                       | <b>—</b>                |
| <b>Net Wastewater Operating Revenues</b>                                      | <b>\$ 222,259</b>                            | <b>\$ 222,259</b>                              | <b>\$ 0</b>             |

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).