

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

ANNUAL REPORT

OF

WS160-03-AR
Marion Utilities, Inc.
710 N.E. 30th Avenue
Ocala, FL 34470-6460

STATE OF FLORIDA



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ECONOMIC REGULATION
PUBLIC SERVICE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company: Marion Utilities, Inc.
For the Year Ended December 31, 2003

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. W-9	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
Total Metered Sales (461.1 - 461.5)	<u>1,092,850</u>	<u>1,092,850</u>	<u>0</u>
Total Fire Protection Revenue (462.1 - 462.2)	_____	_____	_____
Other Sales to Public Authorities (464)	_____	_____	_____
Sales to Irrigation Customers (465)	_____	_____	_____
Sales for Resale (466)	_____	_____	_____
Interdepartmental Sales (467)	_____	_____	_____
Total Other Water Revenues (469 - 474)	<u>55,460</u>	<u>55,460</u>	<u>0</u>
Total Water Operating Revenue	\$ 1,148,310	\$ 1,148,310	\$ 0
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 1,148,310	\$ 1,148,310	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule W-9 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: Marion Utilities, Inc.
For the Year Ended December 31, 2003

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. S-9	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ 29,206	\$ 29,206	\$ 0
Total Measured Revenues (522.1 - 522.5)	_____	_____	_____
Revenues from Public Authorities (523)	_____	_____	_____
Revenues from Other Systems (524)	_____	_____	_____
Interdepartmental Revenues (525)	_____	_____	_____
Total Other Wastewater Revenues (530 - 536)	_____	_____	_____
Reclaimed Water Sales (540.1 - 544)	_____	_____	_____
Total Wastewater Operating Revenue	\$ 29,206	\$ 29,206	\$ 0
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ 29,206	\$ 29,206	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers & Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties.	E-10
Parent / Affiliate Organization Chart	E-5	Part I and II	
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Schedule of Year End Rate Base	F-4	Capital Stock	F-15
Schedule of Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances from Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Misc. Current & Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-21
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid of Construction	F-22
Accounts Receivable from Associated Companies	F-12	Accumulated Amortization of CIAC	F-23
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Listing of Water System Groups	W-1	CIAC Additions / Amortization	W-8
Schedule of Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water Statistics, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions In Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Listing of Wastewater System Groups	S-1	Contributions In Aid of Construction	S-7
Schedule of Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Utility Expense Accounts	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Operating Revenue	S-10
Analysis of Entries in Wastewater Depreciation Reserve	S-5	Calculation of ERC's	S-11
Basis for Wastewater Depreciation Charges	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE SUMMARY

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

CERTIFICATION OF ANNUAL REPORT

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

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

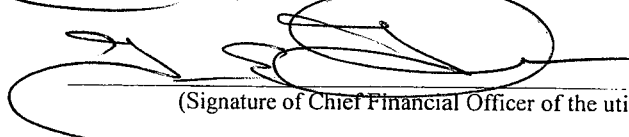
Items Certified

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



(Signature of Chief Executive Officer of the utility) *

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



(Signature of Chief Financial Officer of the utility) *

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

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

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2003

Marion Utilities, Inc.
(Exact Name of Utility)

County: _____

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

710 N.E. 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

E Mail Address: _____

WEB Site: _____

Sunshine State One-Call of Florida, Inc. Member Number _____

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

Tim E. Thompson
710 N.E. 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

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

710 N.E. 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

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

Date of original organization of the utility: 11/25/80

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

Individual Partnership Sub S Corporation 1120 Corporation

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

	Name	Percent Ownership
1.	<u>Tim E. Thompson</u>	<u>51%</u>
2.	<u>Linda L. Thompson</u>	<u>49%</u>
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Tim E. Thompson	President	Marion Utilities, Inc.	Various
Elsie V. Crippen	CPA	Crippen, Trice & Hornby, LLP	Various
Jeffery P. Crippen	CPA	Crippen, Trice & Hornby, LLP	Various
		352-732-4260	

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

COMPANY PROFILE

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

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

Marion Utilities, Inc. was organized in 1980. The officers and shareholders are Time and Linda Thompson. The utility originally had 11 systems and 1,150 customers. Our growth has been steady with the future outlook very promising.

We have only two divisions of operating: administrative and field operations.

We acquired another utility as planned in 1988. In addition, facilities to serve 500 customers were installed in 1988. In 1989, additional facilities were installed to serve 250 customers.

We acquired another utility in 1990 that will eventually serve 90 connections. Distribution facilities were installed to serve 100 additional connections. Four standby power units were installed bringing all systems in compliance with current requirements.

We acquired another utility containing 88 lots in 1991 and expanded its distribution system to serve another 65 lots. We installed additional distribution systems to serve another 100 connections. Plans for 1992 included the addition of facilities to serve another 374 customers. Although we anticipated installing capacity for 374 additional customers we were only able to receive permitting for 156. We have received the permits for the additional 218 that were planned to be installed 1993.

In 1993 we installed lines and services for 100 of the 218 permitted. This was due to the developers downsizing their phase. The additional permitted areas should be done in 1994 and 1995.

There were no new expansions in 1994 due to developers having to cope with new regulations and the comprehensive land development plan. We are hoping for at least three new phases in existing subdivisions in 1995. We did increase our number of customers by 121.

In 1995 we completed the three new phases, adding 120 additional available connections. We upgraded our computer system to permit the use of a hand held meter reader system. It substantially increased performance of the system. We are planning construction of facilities to serve an additional 120 connections in 1996.

The utility had an over-earnings investigation in 1994 and 1995. The order was final November 30, 1995. All refunds were made in December 1995.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

COMPANY PROFILE

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

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

In 1996 we completed distribution expansion in various subdivision to add 197 future connections to your systems. We relocated our Greenfields water plant and put it in service. We added additional storage facilities to Woods and Meadows Estates. We added 207 new customers to the system and are planning to add facilities for 600 new connections.

In 1997 we added 97 new customers. We completed installation of distribution facilities for 198 connections of the proposed 600 with the balance to be completed in 1998. We also plan an upgrade of our Spruce Creek Plant to enable us to provide fire flow. We added a back-up well at Quadvilla Estates to conform to Department of Environmental Protection requirements.

In 1998 we added 108 customers. We completed the facilities for the additional 400 connections we have planned in 1997. The Spruce Creek water plant upgrade was completed. We are continuing the construction of the permitted areas served by the Spruce Creek Plant.

In 1999 we added 123 new customers. We installed distribution facilities to serve an additional 40 future customers. We provided and distributed our first Consumer Confidence Report in a timely manner.

In 2000 we added 117 new customers. We installed distribution facilities to serve 230 future customers. We completed all chemical testing required by the Department of Environmental Protection and distributed our second Consumer Confidence Report.

In 2001 we added 155 new customers. We installed distribution facilities to serve 180 future customers.

In 2002 we added 170 new customers. We installed distribution facilities to serve 200 future customers. We entered into a contract to sell our Quadvilla systems to Silver Springs Regional Water & Sewer System. The transfer is still on docket with the commission.

In 2003 we finalized the sale of our Quadvilla System. Although we lost 260 customers we finished the year with 291 new customers for a net gain of 31. We installed distribution facilities to serve an additional 300 customers in the future.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/03

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

There are no parent or subsidiary companies.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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COMPENSATION OF OFFICERS

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

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Tim E. Thompson	President	100%	\$ 131,347
Linda L. Thompson	Secretary/ Treasurer	100%	130,815

COMPENSATION OF DIRECTORS

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

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Tim E. Thompson	President	4	\$ 1,500
Linda L. Thompson	Secretary/ Treasurer	4	1,500

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

<p>List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.</p>			
NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Tim E. Thompson		\$	Lou Earl Properties 23664 N.E. 124th Place Road Salt Springs, Florida 32634
Linda L. Thompson			
Partners in the affiliate	Rent	32,650	

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Tim E. Thompson	President Marion Utilities, Inc.	Partner	Lou Earl Properties 23664 N.E. 124th Place Road Salt Springs, Florida 32634
Linda L. Thompson	Secretary/ Treasurer Marion Utilities, Inc.	Partner	Lou Earl Properties 23664 N.E. 124th Place Road Salt Springs, Florida 32634

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT
RESULT OF PROVIDING WATER OR WASTEWATER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and / or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
None	\$		\$			

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land, and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT (e)
Lou Earl Properties	Rent	November 1983	P	\$ 32,650

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

- Part II. Specific Instructions: Sale, Purchase and Transfer of Assets**
1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
2. Below are examples of some types of transactions to include:
 -purchase, sale or transfer of equipment
 -purchase, sale or transfer of land and structures
 -purchase, sale or transfer of securities
 -noncash transfers of assets
 -noncash dividends other than stock dividends
 -write-off of bad debts or loans
3. The columnar instructions follow:
 (a) Enter name of related party or company.
 (b) Describe briefly the type of assets purchased, sold or transferred.
 (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 (d) Enter the net book value for each item reported.
 (e) Enter the net profit or loss for each item reported. (column (c) - column (d))
 (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

**FINANCIAL
SECTION**

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 3,698,918	\$ 4,124,009
108-110	Less: Accumulated Depreciation and Amortization	F-8	1,420,461	1,546,835
Net Plant			\$ 2,278,457	\$ 2,577,174
114-115	Utility Plant Acquisition adjustment (Net)	F-7	16,558	7,110
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 2,295,015	\$ 2,584,284
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 0	\$ 0
123	Investment In Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 294,763	\$ 263,468
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	6,405	25,384
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies		1,126	701
161	Stores Expense			
162	Prepayments		20,398	53,987
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	53,890	
Total Current and Accrued Assets			\$ 376,582	\$ 343,540

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$	\$
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14	840	840
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		1,612	1,612
Total Deferred Debits			\$ 2,452	\$ 2,452
TOTAL ASSETS AND OTHER DEBITS			\$ 2,674,049	\$ 2,930,276

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 10	\$ 10
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		990	990
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	792,128	789,908
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 793,128	\$ 790,908
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	77,507	18,424
Total Long Term Debt			\$ 77,507	\$ 18,424
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		305,107	439,886
232	Notes Payable	F-18	73,347	67,873
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		82,790	94,296
236	Accrued Taxes	W/S-3	56,987	52,988
237	Accrued Interest	F-19	4,293	4,667
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	64,860	102,566
Total Current & Accrued Liabilities			\$ 587,384	\$ 762,276

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$	\$
252	Advances For Construction	F-20	25,432	30,000
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits		5,141	4,908
Total Deferred Credits			\$ 30,573	\$ 34,908
OPERATING RESERVES				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$ 0	\$ 0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 1,996,772	\$ 2,212,285
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	807,886	886,297
Total Net C.I.A.C.			\$ 1,188,886	\$ 1,325,988
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 191,498	\$ 191,498
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other		(194,927)	(193,726)
Total Accumulated Deferred Income Tax			\$ (3,429)	\$ (2,228)
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 2,674,049	\$ 2,930,276

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 1,154,173	\$ 1,183,322
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 1,154,173	\$ 1,183,322
401	Operating Expenses	F-3(b)	\$ 931,245	\$ 975,192
403	Depreciation Expense:	F-3(b)	\$ 121,395	\$ 125,528
	Less: Amortization of CIAC	F-22	(74,250)	(78,411)
Net Depreciation Expense			\$ 47,145	\$ 47,117
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	6,156	6,156
407	Amortization Expense (Other than CIAC)	F-3(b)	846	846
408	Taxes Other Than Income	W/S-3	104,473	107,764
409	Current Income Taxes	W/S-3	32,640	(20,891)
410.10	Deferred Federal Income Taxes	W/S-3	23,710	
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	19,998	4,429
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	(233)	(233)
Utility Operating Expenses			\$ 1,165,980	\$ 1,120,380
Net Utility Operating Income			\$ (11,807)	\$ 62,942
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property		168,892	
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 157,085	\$ 62,942

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 1,148,310	\$ 29,206	\$ 5,806
\$ 1,148,310	\$ 29,206	\$ 5,806
\$ 941,283	\$ 28,537	\$ 5,372
120,947 (72,433)	4,581 (5,978)	
\$ 48,514	\$ (1,397)	\$ 0
6,156 846 104,409 (20,891)	3,216	139
4,429 (233)		
\$ 1,084,513	\$ 30,356	\$ 5,511
\$ 63,797	\$ (1,150)	\$ 295
\$ 63,797	\$ (1,150)	\$ 295

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 157,085	\$ 62,942
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		2,182	3,552
421	Nonutility Income		7,311	63
426	Miscellaneous Nonutility Expenses		(3,725)	(4,056)
Total Other Income and Deductions			\$ 5,768	\$ 441
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		(6,452)	(3,228)
410.20	Provision for Deferred Income Taxes		(295)	_____
411.20	Provision for Deferred Income Taxes - Credit		(1)	_____
412.20	Investment Tax Credits - Net		_____	_____
412.30	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ (6,748)	\$ (3,228)
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 15,805	\$ 12,835
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ 15,805	\$ 12,835
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			<u>\$ 153,796</u>	<u>\$ 52,894</u>

Explain Extraordinary Income:

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Total Utility Plant	F-7	\$ 3,942,076	\$ 181,933
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	1,385,767	143,092
110	Accumulated Amortization	F-8	17,976	
271	Contributions In Aid of Construction	F-22	2,053,144	159,141
252	Advances for Construction	F-20	30,000	
Subtotal			\$ 455,189	\$ (120,300)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	745,997	140,300
Subtotal			\$ 1,201,186	\$ 20,000
114	Plus or Minus: Acquisition Adjustments (2)	F-7	164,972	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(142,640)	
	Working Capital Allowance (3)			
	Other (Specify): <u>Deferred income tax on CIAC</u>		16,387	
RATE BASE			\$ 1,239,905	\$ 20,000
NET UTILITY OPERATING INCOME			\$ 63,797	\$ (1,150)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			5.15	0

NOTES :

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 769,017	80.38	10.72%	8.62%
Preferred Stock				
Long Term Debt	86,297	9.02	6.26%	.56%
Customer Deposits	94,296	9.86	6.00%	.59%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes	2,228	0.23	0.00%	0.00%
Other (Explain)				
Investment tax credit	4,908	0.51	0.00%	0.00%
Total	\$ 956,746	100.00		9.77%

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

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

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

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

APPROVED RETURN ON EQUITY

Return on Equity:	<u>10.72 %</u>
Rate on Equity:	<u>95-1193-FOF-W/S</u>

APPROVED AFUDC RATE - NOT APPLICABLE
COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

AFUDC rate:	_____ %
AFUDC rate:	_____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 3,846,114	\$ 181,933	\$	\$ 4,028,047
102	Utility Plant Leased to Other				
103	Property Held for Future Use	4,009			4,009
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	91,953			91,953
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 3,942,076	\$ 181,933	\$ 0	\$ 4,124,009

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ SEE SCHEDULE	\$ ATTACHED	\$	\$
	Total Plant Acquisition Adjustments	\$	\$	\$	\$
115	Accumulated Amortization	\$	\$	\$	\$
	Total Accumulated Amortization	\$	\$	\$	\$
	Net Acquisition Adjustments	\$	\$	\$	\$

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition adjustment				
	Order #11568	\$ 164,972			\$ 164,972
	Balance after order #11568	113,399			113,399
	Woods & Meadows	(17,697)			(17,697)
	Spruce Creek	(58,554)			(58,554)
	Deer Creek	6,732			6,732
	Windgate	20,895			20,895
	Total Plant Acquisition Adjustments	<u>\$ 229,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,747</u>
115	Accumulated Amortization				
	Order #11568	\$ (142,640)	\$ -	\$ -	\$ (142,640)
	Balance after order #11568	(99,376)			(99,376)
	Woods & Meadows	7,779			7,779
	Spruce Creek	23,910			23,910
	Deer Creek	(2,609)			(2,609)
	Windgate	(9,701)			(9,701)
	Total Accumulated Amortization	<u>\$ (222,637)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222,637)</u>
	Net Aquisition Adjustments	<u>\$ 7,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,110</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 1,264,820	\$ 138,511	\$ 0	\$ 1,403,331
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 120,947	\$ 4,581	\$	\$ 125,528
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$ 120,947	\$ 4,581	\$ 0	\$ 125,528
Debits during year:				
Book cost of plant retired				
Cost of Removal				
Other Debits (specify):				
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ <u>1,385,767</u>	\$ <u>143,092</u>	\$ <u>0</u>	\$ <u>1,528,859</u>
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ 17,130	\$ 0	\$ 0	\$ 17,130
Credit during year:				
Accruals charged to:				
407	\$ 846	\$	\$	\$ 846
Account 110.2 (2)				
Other Accounts (specify):				
Total credits	\$ 846	\$ 0	\$ 0	\$ 846
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ <u>17,976</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>17,976</u>

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
	\$ _____	_____	\$ _____
	\$ _____	_____	\$ _____
Total	\$ <u>0</u>	_____	\$ <u>0</u>

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
Total Nonutility Property	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

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

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): _____	\$ _____
Total Special Deposits	\$ <u>0</u>
OTHER SPECIAL DEPOSITS (Account 133): _____	\$ _____
Total Other Special Deposits	\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127

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

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Investment in Associated Companies		\$ <u>0</u>
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Utility Investment		\$ <u>0</u>
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ <u>0</u>
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____	_____ _____ _____ _____	\$ _____ _____ _____ _____
Total Special Funds		\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

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

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 7,571	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 7,571
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Returned check and contract	\$ 362	
Receivables from developers	17,451	
Total Other Accounts Receivable		\$ 17,813
NOTES RECEIVABLE (Account 144):		
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 25,384
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 2,142	
Collection of accounts previously written off	298	
Utility Accounts		
Others		
Total Additions	\$ 2,440	
Deduct accounts written off during year:		
Utility Accounts	2,440	
Others		
Total accounts written off	\$ 2,440	
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 25,384

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ 0

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
	%\$	
	%	
	%	
	%	
	%	
	%	
	%	
	%	
Total		\$ 0

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
	\$
Total Miscellaneous Current and Accrued Liabilities	\$ 0

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

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

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Debt Discount and Expense	\$ <u>0</u>	\$ <u>0</u>
UNAMORTIZED PREMIUM ON DEBT (Account 251): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Premium on Debt	\$ <u>0</u>	\$ <u>0</u>

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ _____ _____ _____
Total Extraordinary Property Losses	\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Deferred Rate Case Expense	\$ <u>0</u>	\$ <u>0</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): Utility deposits _____ _____ _____ _____ _____	\$ <u>0</u> _____ _____ _____ _____ _____	\$ <u>840</u> _____ _____ _____ _____ _____
Total Other Deferred Debits	\$ <u>0</u>	\$ <u>840</u>
REGULATORY ASSETS (Class A Utilities: Account 186.3): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Regulatory Assets	\$ <u>0</u>	\$ <u>0</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u>0</u>	\$ <u>840</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%\$	1.00
Shares authorized		1,000
Shares issued and outstanding		100
Total par value of stock issued	%\$	10
Dividends declared per share for year	%\$	551.1448
PREFERRED STOCK		
Par or stated value per share	%\$	
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%\$	
Dividends declared per share for year	%\$	

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

STATEMENT OF RETAINED EARNINGS

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ 792,128
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ 0
	Debits: _____	\$ _____
	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ 52,894
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared Non cash dividend - forgiveness of stockholder loan and accrued interest _____	55,114
	Total Dividends Declared	\$ 55,114
215	Year end Balance	\$ 789,908
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
	Total Retained Earnings	\$ 789,908
Notes to Statement of Retained Earnings:		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ <u>0</u>

**OTHER LONG-TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
<u>Note on vehicle</u> <u>Issue</u> <u>Matures</u>			
<u>Note on vehicle</u> 12/20/01 12/20/04	3.90%	Fixed	\$ 4,827
<u>Commercial loan</u> 03/25/02 03/25/05	7.25%	Fixed	66,481
<u>Note on vehicle</u> 10/31/01 10/31/04	None%	N/A	6,199
<u>Note on vehicle</u> 03/03/03 03/03/06	4.50%	Fixed	8,790
	%		
	%		
<u>Less current portion</u>	%		(67,873)
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ <u>18,424</u>

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232): Current portion of long term debt	%		\$ 67,873
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ <u>67,873</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ <u>0</u>

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$ 190		\$ 7,799	\$ 7,904	\$ 85
Total Account 237.1	\$ 190		\$ 7,799	\$ 7,904	\$ 85
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	\$ 4,103	427	\$ 5,000	\$ 4,521	\$ 4,582
Miscellaneous			36	36	0
Total Account 237.2	\$ 4,103		\$ 5,036	\$ 4,557	
Total Account 237 (1)	\$ 4,293		\$ 12,835	\$ 12,461	\$ 4,667
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 12,835		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$ 12,835		

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.

(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Officer salaries	\$ 20,890
Other salaries	17,468
Professional fees	12,750
Profit sharing contribution payable	41,599
Customer prepayments	9,859
Total Miscellaneous Current and Accrued Liabilities	\$ 102,566

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
Summerbrooke	\$ 10,432	231	\$ 10,432	\$	0
Whispering Pines IV	15,000	231	15,000	30,000	0
Whispering Pines V				30,000	30,000
Total	\$ 25,432		\$ 25,432	\$ 30,000	\$ 30,000

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ <u>0</u>	\$ <u>0</u>
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ <u>0</u>	\$ <u>0</u>
TOTAL OTHER DEFERRED CREDITS	\$ <u>0</u>	\$ <u>0</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 1,837,631	\$ 159,141	\$ 0	\$ 1,996,772
Add credits during year:	\$ 215,513	\$ 0	\$	\$ 215,513
Less debit charged during the year	\$ 0	\$ 0	\$ 0	\$ 0
Total Contribution In Aid of Construction	\$ 2,053,144	\$ 159,141	\$ 0	\$ 2,212,285

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 673,564	\$ 134,322	\$ 0	\$ 807,886
Debits during the year:	\$ 72,433	\$ 5,978	\$	\$ 78,411
Credits during the year	\$ 0	\$ 0	\$ 0	\$
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 745,997	\$ 140,300	\$ 0	\$ 886,297

**WATER
OPERATION
SECTION**

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
Marion Utilities/Marion	347W	1
*Windgate Estates/Marion	347W	2
* Includes Bordering Oaks Estates and Colebrook		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Marion Utilities/Marion

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 3,734,390
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	1,334,137
110	Accumulated Amortization		17,976
271	Contributions In Aid of Construction	W-7	1,987,147
252	Advances for Construction	F-20	30,000
Subtotal			\$ 365,130
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 703,515
Subtotal			\$ 1,068,645
	Plus or Minus:		
114	Acquisition Adjustments (2) <u>Order #11568 only</u>	F-7	164,972
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(142,640)
	Working Capital Allowance (3)		
	Other (Specify): <u>Deferred taxes on CIAC</u>		16,387
103	Property held for future use		4,009
105	Construction work in process		91,953
WATER RATE BASE			\$ 1,203,326
WATER OPERATING INCOME		W-3	\$ 63,797
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			5.30%

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2003

SYSTEM NAME / COUNTY:

Windgate Estates/Marion

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 111,724
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	51,630
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	65,997
252	Advances for Construction	F-20	
Subtotal			\$ (5,903)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 42,482
Subtotal			\$ 36,579
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WATER RATE BASE			\$ 36,579
WATER OPERATING INCOME		W-3	\$ Not available
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY :

Marion Utilities/Marion

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 1,148,310
469	Less: Guaranteed Revenue and AFPI	W-9	
Net Operating Revenues			\$ 1,148,310
401	Operating Expenses	W-10(a)	\$ 941,283
403	Depreciation Expense	W-6(a)	120,947
	Less: Amortization of CIAC	W-8(a)	(72,433)
Net Depreciation Expense			\$ 48,514
406	Amortization of Utility Plant Acquisition Adjustment	F-7	6,156
407	Amortization Expense (Other than CIAC)	F-8	846
408.10	Taxes Other Than Income		51,674
408.11	Utility Regulatory Assessment Fee		19,699
408.12	Property Taxes		30,856
408.13	Payroll Taxes		2,180
408	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 104,409
409.1	Income Taxes		(20,891)
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		4,429
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		(233)
Utility Operating Expenses			\$ 1,084,513
Utility Operating Income			\$ 63,797
469	Add Back:		
469	Guaranteed Revenue (and AFPI)	W-9	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 63,797

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

SYSTEM NAME / COUNTY :

Windgate Estates/Marion

WATER OPERATING STATEMENT INFORMATION NOT AVAILABLE

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Marion Utilities/Marion

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 25,391			\$ 25,391
302	Franchises				
303	Land and Land Rights	105,417			105,417
304	Structures and Improvements	87,119			87,119
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	136,281	11,107		147,388
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	290,606	6,048		296,654
320	Water Treatment Equipment	36,266			36,266
330	Distribution Reservoirs and Standpipes	165,465			165,465
331	Transmission and Distribution Mains	1,768,734	287,863		2,056,597
333	Services	251,533	62,294		313,827
334	Meters and Meter Installations	239,072	13,149		252,221
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	70,738	3,678		74,416
341	Transportation Equipment	120,136	11,920		132,056
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	6,868	1,902		8,770
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	5,458			5,458
347	Miscellaneous Equipment				
348	Other Tangible Plant	27,345			27,345
	TOTAL WATER PLANT	\$ 3,336,429	\$ 397,961	\$ 0	\$ 3,734,390

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

W-4(a)
GROUP 1

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Windgate Estates/Marion

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$	\$	\$	\$
302	Franchises				
303	Land and Land Rights	1,710			1,710
304	Structures and Improvements	6,571	3,106		9,677
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	11,500			11,500
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	12,593			12,593
320	Water Treatment Equipment	2,575			2,575
330	Distribution Reservoirs and Standpipes	8,454			8,454
331	Transmission and Distribution Mains	48,069			48,069
333	Services	6,531			6,531
334	Meters and Meter Installations	10,615			10,615
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 108,618	\$ 3,106	\$ 0	\$ 111,724

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

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Marion Utilities/Marion

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization	\$ 25,391	\$ 25,391				
302	Franchises						
303	Land and Land Rights	105,417					105,417
304	Structures and Improvements	87,119					87,119
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	147,388		147,388			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment	296,654		296,654			
320	Water Treatment Equipment	36,266			36,266		
330	Distribution Reservoirs and Standpipes	165,465				165,465	
331	Transmission and Distribution Mains	2,056,597				2,056,597	
333	Services	313,827				313,827	
334	Meters and Meter Installations	252,221				252,221	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment						
341	Transportation Equipment	74,416					74,416
342	Stores Equipment	132,056					132,056
343	Tools, Shop and Garage Equipment	8,770					8,770
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment	5,458					5,458
347	Miscellaneous Equipment						
348	Other Tangible Plant	27,345					27,345
	TOTAL WATER PLANT	\$ 3,734,390	\$ 25,391	\$ 444,042	\$ 36,266	\$ 2,788,110	\$ 440,581

W-4(b)
GROUP 1

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Windgate Estates/Marion

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
(a)							
301	Organization						
302	Franchises						
303	Land and Land Rights	1,710					1,710
304	Structures and Improvements	9,677					9,677
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	11,500		11,500			
308	Infiltration Galleries and Tunnels						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment	12,593		12,593			
320	Water Treatment Equipment	2,575			2,575		
330	Distribution Reservoirs and Standpipes	8,454				8,454	
331	Transmission and Distribution Mains	48,069				48,069	
333	Services	6,531				6,531	
334	Meters and Meter Installations	10,615				10,615	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment						
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
	TOTAL WATER PLANT	111,724	0	24,093	2,575	73,669	11,387

W-4(b)
GROUP 2

UTILITY NAME: Marion Utilities, Inc.
 SYSTEM NAME / COUNTY: Marion Utilities/Marion

YEAR OF REPORT
 December 31, 2003

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	20		5.00
320	Water Treatment Equipment	22		4.55
330	Distribution Reservoirs and Standpipes	37		2.70
331	Transmission and Distribution Mains	43		2.33
333	Services	40		2.50
334	Meters and Meter Installations	20		5.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment	15		6.67
341	Transportation Equipment	6		16.67
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	16		6.25
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	10		10.00
347	Miscellaneous Equipment			
348	Other Tangible Plant	10		10.00
Water Plant Composite Depreciation Rate *				

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	20		5.00
320	Water Treatment Equipment	22		4.55
330	Distribution Reservoirs and Standpipes	37		2.70
331	Transmission and Distribution Mains	43		2.33
333	Services	40		2.50
334	Meters and Meter Installations	20		5.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Marion Utilities/Marion

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 46,672	2,374		\$ 2,374
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	77,329	4,340		4,340
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	160,199	13,459		13,459
320	Water Treatment Equipment	18,168	1,399		1,399
330	Distribution Reservoirs and Standpipes	68,358	4,392		4,392
331	Transmission and Distribution Mains	495,542	42,311		42,311
333	Services	86,960	6,391		6,391
334	Meters and Meter Installations	160,311	8,077		8,077
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	22,233	9,938		9,938
341	Transportation Equipment	54,484	21,430		21,430
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	4,140	485		485
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	2,629	443		443
347	Miscellaneous Equipment				
348	Other Tangible Plant	19,365	2,708		2,708
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,216,390	\$ 117,747	\$ 0	\$ 117,747

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

W-6(a)
GROUP 1

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 3,065	285		\$ 285
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	4,477	384		384
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	4,671	545		545
320	Water Treatment Equipment	937	100		100
330	Distribution Reservoirs and Standpipes	5,572	228		228
331	Transmission and Distribution Mains	18,027	1,118		1,118
333	Services	3,164	163		163
334	Meters and Meter Installations	8,517	377		377
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 48,430	\$ 3,200	\$ 0	\$ 3,200

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

W-6(a)
GROUP 2

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY:

Marion Utilities/Marion

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

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 49,046
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					81,669
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment					
320	Water Treatment Equipment					173,658
330	Distribution Reservoirs and Standpipes					19,567
331	Transmission and Distribution Mains					72,750
333	Services					537,853
334	Meters and Meter Installations					93,351
335	Hydrants					168,388
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment					32,171
342	Stores Equipment *					75,914
343	Tools, Shop and Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					4,625
346	Communication Equipment					
347	Miscellaneous Equipment					3,072
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 1,334,137

W-6(b)
GROUP 1

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Windgate Estates/Marion

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

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 3,350
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					4,861
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment					5,216
320	Water Treatment Equipment					1,037
330	Distribution Reservoirs and Standpipes					5,800
331	Transmission and Distribution Mains					19,145
333	Services					3,327
334	Meters and Meter Installations					8,894
335	Hydrants					
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					
341	Transportation Equipment					
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,630

W-6(b)
GROUP 2

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Marion Utilities/Marion

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 1,771,634
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 193,748
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	21,765
Total Credits		\$ 215,513
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 0
Total Contributions In Aid of Construction		\$ 1,987,147

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 65,997
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		\$ 0
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 0
Total Contributions In Aid of Construction		\$ 65,997

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

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

UTILITY NAME: Marion Utilities, Inc.
 SYSTEM NAME / COUNTY: Marion Utilities/Marion

YEAR OF REPORT
 December 31, 2003

WATER CIAC SCHEDULE "A"

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

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Connection fees	292	\$ 250-500	\$ 161,810
Construction			31,938
Total Credits			\$ 193,748

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 633,443
Debits during the year:	
Accruals charged to Account 272	\$ 70,072
Other debits (specify) :	
Total debits	\$ 70,072
Credits during the year (specify) :	
Total credits	\$ 0
Balance end of year	\$ 703,515

UTILITY NAME: Marion Utilities, Inc.
 SYSTEM NAME / COUNTY: Windgate Estates/Marion

YEAR OF REPORT
 December 31, 2003

WATER CIAC SCHEDULE "A"

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

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
	0	\$	\$ 0
Total Credits			\$ 0

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 40,121
Debits during the year:	
Accruals charged to Account 272	\$ 2,361
Other debits (specify) :	
Total debits	\$ 2,361
Credits during the year (specify) :	
Total credits	\$ 0
Balance end of year	\$ 42,482

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Marion Utilities/Marion

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	4,634	4,925	1,092,850
461.2	Sales to Commercial Customers			
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		4,634	4,925	\$ 1,092,850
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue		0	0	\$ 0
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		4,634	4,925	\$ 1,092,850
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			18,130
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			37,330
Total Other Water Revenues				\$ 55,460
Total Water Operating Revenues				\$ 1,148,310

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY :

Windgate Estates/Marion

WATER OPERATING REVENUE - NOT AVAILABLE

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

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: All Systems/Marion

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 205,283	\$ 30,740	\$ 17,517
603	Salaries and Wages - Officers, Directors and Majority Stockholders	262,162	13,135	6,567
604	Employee Pensions and Benefits	69,917		
610	Purchased Water			
615	Purchased Power	68,465	66,417	
616	Fuel for Power Production	4,450	3,772	
618	Chemicals	11,729		
620	Materials and Supplies			
631	Contractual Services-Engineering	6,750		
632	Contractual Services - Accounting	19,905		
633	Contractual Services - Legal	1,288		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	34,329		
636	Contractual Services - Other	1,590		
641	Rental of Building/Real Property	32,650		
642	Rental of Equipment			
650	Transportation Expenses	15,388	1,898	949
656	Insurance - Vehicle	7,619		
657	Insurance - General Liability	6,737		
658	Insurance - Workman's Comp.	6,633		
659	Insurance - Other	45,430		
660	Advertising Expense	202		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	2,440		
675	Miscellaneous Expenses	138,316	12,633	6,316
Total Water Utility Expenses		\$ 941,283	\$ 128,595	\$ 31,349

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

NOT AVAILABLE

WATER UTILITY EXPENSE ACCOUNTS

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31 2003

SYSTEM NAME / COUNTY:

Marion Utilities / Marion

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 37,828	\$	\$ 25,059	\$	\$ 88,004	\$ 6,135
		26,270		144,003	72,187
					69,917
					2,048
11,729					678
					6,750
					19,905
					1,288
34,329					1,590
					32,650
1,898		2,373		1,423	6,847
					7,619
					6,737
					6,633
					45,430
					202
12,633		31,583		2,440	
				38,176	
\$ 98,417	\$ 0	\$ 85,285	\$ 0	\$ 274,046	\$ 323,591

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY:

Windgate Estates/Marion

NOT AVAILABLE

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

SYSTEM NAME / COUNTY:

All Systems/Marion

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	N/A	35,687	7,993	27,694	27,694
February		31,483	2,281	29,202	29,202
March		36,536	6,633	29,903	29,903
April		52,300	5,793	46,507	46,507
May		68,296	11,711	56,585	56,585
June		40,620	33	40,587	40,587
July		41,907	7,224	34,683	34,683
August		36,252	6,803	29,449	29,449
September		44,024	3,721	40,303	40,303
October		42,305	6,657	35,648	35,648
November		41,998	6,320	35,678	35,678
December		40,828	3,662	37,166	37,166
Total for Year		512,236	68,831	443,405	443,405

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery _____

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
<u>See attached schedule</u>			

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY:

Windgate Estates/Marion

PUMPING AND PURCHASED WATER STATISTICS

NOT AVAILABLE

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

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

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

SUPPORTING SCHEDULE FOR PAGE W-11

Marion Utilities, Inc.

Year of Report - December 31, 2003

Subdivision	Capacity of Well	Gallons Per Day From Source	Type of Source
Pine Ridge	604,000	74,084	Ground
Cedar Hills	1,173,000	195,834	"
Fore Acres	2,160,000	119,667	"
Golden Holiday	470,000	18,417	"
Fort King	604,000	52,667	"
Hi-Cliff	604,000	73,084	"
Rainbow Lakes Est.	1,238,000	123,834	"
Stone Oaks	316,000	14,000	"
Ponderosa	72,000	3,167	"
Waldbusser	72,000	3,406	"
Buckskin	201,000	11,750	"
Quadvilla	351,000	38,429	"
Libra Oaks	175,000	8,750	"
Logans Run	259,000	5,667	"
Greenfields	1,238,000	171,917	"
Sheri Oaks	129,000	2,465	"
Oak Creek	129,000	21,500	"
McAteers	129,000	19,417	"
Woods & Meadows	979,000	138,084	"
Spruce Creek	2,736,000	307,750	"
Deer Creek	129,000	9,417	"
Windgate	518,000	43,334	"
Turning Point	518,000	7,417	"

SUPPORTING SCHEDULE FOR PAGE W-12

Marion Utilities, Inc.

Year of Report - December 31, 2003

Subdivision	Permitted Capacity of Plant GPD	Location of Measurement of Capacity	Type of Treatment
Pine Ridge	220,000	Storage Tank	Hypo-Chlorination
Cedar Hills	264,000	"	"
Fore Acres	540,000	"	"
Golden Holiday	208,000	"	"
Fort King	360,000	"	"
Hi-Cliff	360,000	"	"
Rainbow Lakes Est.	547,000	"	"
Stone Oaks	158,000	"	"
Ponderosa	34,000	"	"
Waldbusser	34,000	"	"
Buckskin	64,000	"	"
Quadvilla	115,000	"	"
Libra Oaks	61,000	"	"
Logans Run	125,000	"	"
Greenfields	547,000	"	"
Sheri Oaks	54,000	"	"
Oak Creek	54,000	"	"
McAteers	61,000	"	"
Woods & Meadows	370,000	"	"
Spruce Creek	1,000,000	"	"
Deer Creek	24,000	"	"
Windgate	84,000	"	"
Turning Point	66,150	"	"

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : All Systems/Marion

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): See supporting schedule

Location of measurement of capacity
(i.e. Wellhead, Storage Tank): See supporting schedule

Type of treatment (reverse osmosis,
(sedimentation, chemical, aerated, etc.): See supporting schedule

LIME TREATMENT

Unit rating (i.e., GPM, pounds
per gallon): _____ Manufacturer: _____

FILTRATION

Type and size of area: _____

Pressure (in square feet): _____ Manufacturer: _____

Gravity (in GPM/square feet): _____ Manufacturer: _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

WATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each water treatment facility

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2003

SYSTEM NAME / COUNTY:

Marion Utilities/Marion

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	5,019	5,019
3/4"	Displacement	1.5	29	44
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				<u>5,063</u>

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

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

ERC Calculation:

$$443,405,000 \div 5063 \div 365 = 239$$

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

NOT AVAILABLE

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

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

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

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

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC Calculation:

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Pine Ridge/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 205
2. Maximum number of ERCs * which can be served. 542
3. Present system connection capacity (in ERCs *) using existing lines. 241
4. Future connection capacity (in ERCs *) upon service area buildout. 241
5. Estimated annual increase in ERCs *. 3
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3421018
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : Cedar Hills/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 398

2. Maximum number of ERCs * which can be served. 650

3. Present system connection capacity (in ERCs *) using existing lines. 400

4. Future connection capacity (in ERCs *) upon service area buildout. 400

5. Estimated annual increase in ERCs *. 1

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420162

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Fore Acres/Marion

OTHER WATER SYSTEM INFORMATION

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

- 1. Present ERC's * the system can efficiently serve. 467
- 2. Maximum number of ERCs * which can be served. 639
- 3. Present system connection capacity (in ERCs *) using existing lines. 467
- 4. Future connection capacity (in ERCs *) upon service area buildout. 478
- 5. Estimated annual increase in ERCs *. 0
- 6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 750 GPM
- 7. Attach a description of the fire fighting facilities. 5 hydrants - 1,280 GPM
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
- 9. When did the company last file a capacity analysis report with the DEP? None filed
- 10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
- 11. Department of Environmental Protection ID # 3420608
- 12. Water Management District Consumptive Use Permit # 3094
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Golden Holiday/Marion

YEAR OF REPORT
December 31, 2003

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 174
2. Maximum number of ERCs * which can be served. 512
3. Present system connection capacity (in ERCs *) using existing lines. 173
4. Future connection capacity (in ERCs *) upon service area buildout. 173
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3420456
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY : Fort King/Marion

YEAR OF REPORT
December 31, 2003

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 89
2. Maximum number of ERCs * which can be served. 87
3. Present system connection capacity (in ERCs *) using existing lines. 88
4. Future connection capacity (in ERCs *) upon service area buildout. 88
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3420419
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY : Hi-Cliff/Marion

YEAR OF REPORT
December 31, 2003

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 289
2. Maximum number of ERCs * which can be served. 887
3. Present system connection capacity (in ERCs *) using existing lines. 289
4. Future connection capacity (in ERCs *) upon service area buildout. 289
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3420533
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Rainbow Lakes Estates/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 508

2. Maximum number of ERCs * which can be served. 1,347

3. Present system connection capacity (in ERCs *) using existing lines. 726

4. Future connection capacity (in ERCs *) upon service area buildout. 1,000

5. Estimated annual increase in ERCs *. 15

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424083

12. Water Management District Consumptive Use Permit # 202999.02

a. Is the system in compliance with the requirements of the CUP? Yes

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : Stone Oaks/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 83

2. Maximum number of ERCs * which can be served. 389

3. Present system connection capacity (in ERCs *) using existing lines. 83

4. Future connection capacity (in ERCs *) upon service area buildout. 83

5. Estimated annual increase in ERCs *. 0

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3421283

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : Ponderosa/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 22

2. Maximum number of ERCs * which can be served. 84

3. Present system connection capacity (in ERCs *) using existing lines. 22

4. Future connection capacity (in ERCs *) upon service area buildout. 22

5. Estimated annual increase in ERCs *. 0

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424808

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : Waldbusser/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 22

2. Maximum number of ERCs * which can be served. 84

3. Present system connection capacity (in ERCs *) using existing lines. 22

4. Future connection capacity (in ERCs *) upon service area buildout. 22

5. Estimated annual increase in ERCs *. 0

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424807 (non-community)

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Buckskin/Marion

YEAR OF REPORT
December 31, 2003

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 63

2. Maximum number of ERCs * which can be served. 158

3. Present system connection capacity (in ERCs *) using existing lines. 63

4. Future connection capacity (in ERCs *) upon service area buildout. 63

5. Estimated annual increase in ERCs *. 0

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3420124

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Libra Oaks/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * the system can efficiently serve. 70
2. Maximum number of ERCs * which can be served. 150
3. Present system connection capacity (in ERCs *) using existing lines. 128
4. Future connection capacity (in ERCs *) upon service area buildout. 128
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 6424590
12. Water Management District Consumptive Use Permit # 6574.01
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : International Villas/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 27
2. Maximum number of ERCs * which can be served. 308
3. Present system connection capacity (in ERCs *) using existing lines. 100
4. Future connection capacity (in ERCs *) upon service area buildout. 100
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 6424589
12. Water Management District Consumptive Use Permit # 6884.01
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY : Green Fields-Indian Pines/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 456

2. Maximum number of ERCs * which can be served. 1,347

3. Present system connection capacity (in ERCs *) using existing lines. 457

4. Future connection capacity (in ERCs *) upon service area buildout. 457

5. Estimated annual increase in ERCs *. 5

6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 750 GPM

7. Attach a description of the fire fighting facilities. 8 hydrants

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3425006

12. Water Management District Consumptive Use Permit # 3101

a. Is the system in compliance with the requirements of the CUP? Yes

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Sheri Oaks/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 17
2. Maximum number of ERCs * which can be served. 133
3. Present system connection capacity (in ERCs *) using existing lines. 17
4. Future connection capacity (in ERCs *) upon service area buildout. 23
5. Estimated annual increase in ERCs *. 1
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 3424637 (non-community)
12. Water Management District Consumptive Use Permit # None
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Oak Creek Caverns/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 40

2. Maximum number of ERCs * which can be served. 133

3. Present system connection capacity (in ERCs *) using existing lines. 46

4. Future connection capacity (in ERCs *) upon service area buildout. 46

5. Estimated annual increase in ERCs *. 2

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? N/A

11. Department of Environmental Protection ID # 3424638

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: McAteer Acres/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 67

2. Maximum number of ERCs * which can be served. 150

3. Present system connection capacity (in ERCs *) using existing lines. 70

4. Future connection capacity (in ERCs *) upon service area buildout. 70

5. Estimated annual increase in ERCs *. 1

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

- 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? No

11. Department of Environmental Protection ID # 3424643

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Woods & Meadows/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * the system can efficiently serve. 441
2. Maximum number of ERCs * which can be served. 911
3. Present system connection capacity (in ERCs *) using existing lines. 562
4. Future connection capacity (in ERCs *) upon service area buildout. 700
5. Estimated annual increase in ERCs *. 10
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None
9. When did the company last file a capacity analysis report with the DEP? None filed
10. If the present system does not meet the requirements of DEP rules: N/A
 - 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? No
11. Department of Environmental Protection ID # 6424632
12. Water Management District Consumptive Use Permit # 207849.03
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Spruce Creek/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 1,352

2. Maximum number of ERCs * which can be served. 4,000

3. Present system connection capacity (in ERCs *) using existing lines. 2,412

4. Future connection capacity (in ERCs *) upon service area buildout. 3,632

5. Estimated annual increase in ERCs *. 100

6. Is the utility required to have fire flow capacity? Yes

If so, how much capacity is required? 1,350 GPM

7. Attach a description of the fire fighting facilities. 42 hydrants

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
Additional 623 lots permitted. Lines will be extended with developer and builders needs.

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424652

12. Water Management District Consumptive Use Permit # 208481.03

a. Is the system in compliance with the requirements of the CUP? Yes

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Deer Creek/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 47

2. Maximum number of ERCs * which can be served. 59

3. Present system connection capacity (in ERCs *) using existing lines. 50

4. Future connection capacity (in ERCs *) upon service area buildout. 50

5. Estimated annual increase in ERCs *. 0

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 6424653

12. Water Management District Consumptive Use Permit # None

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Turning Pointe/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 48

2. Maximum number of ERCs * which can be served. 163

3. Present system connection capacity (in ERCs *) using existing lines. 87

4. Future connection capacity (in ERCs *) upon service area buildout. 87

5. Estimated annual increase in ERCs *. 2

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3424841

12. Water Management District Consumptive Use Permit # 20830296 AN

a. Is the system in compliance with the requirements of the CUP? Yes

b. If not, what are the utility's plans to gain compliance? _____

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Windgate Estates/Marion

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 141

2. Maximum number of ERCs * which can be served. 207

3. Present system connection capacity (in ERCs *) using existing lines. 155

4. Future connection capacity (in ERCs *) upon service area buildout. 155

5. Estimated annual increase in ERCs *. 2

6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. None

9. When did the company last file a capacity analysis report with the DEP? None filed

10. If the present system does not meet the requirements of DEP rules: N/A

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? No

11. Department of Environmental Protection ID # 3421576

12. Water Management District Consumptive Use Permit # 4581

a. Is the system in compliance with the requirements of the CUP? Yes

b. If not, what are the utility's plans to gain compliance? _____

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

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

WASTEWATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The wastewater financial schedules (S-2 through S-10) should be filed for the group in total.

The wastewater engineering schedules (S-11 and S-12) must be filed for each system in the group.

All of the following wastewater pages (S-2 through S-12) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY

CERTIFICATE NUMBER

GROUP NUMBER

Cedar Hills Sewer/Marion County

336S

1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 181,933
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	143,092
110	Accumulated Amortization		
271	Contributions In Aid of Construction	S-7	159,141
252	Advances for Construction	F-20	
Subtotal			\$ (120,300)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 140,300
Subtotal			\$ 20,000
114	Plus or Minus: Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WASTEWATER RATE BASE			\$ 20,000
WASTEWATER OPERATING INCOME		S-3	\$ (1,150)
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			0

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2003

SYSTEM NAME / COUNTY:

Cedar Hills Sewer/Marion

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 29,206
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
Net Operating Revenues			\$ 29,206
401	Operating Expenses	S-10(a)	\$ 28,537
403	Depreciation Expense	S-6(a)	4,581
	Less: Amortization of CIAC	S-8(a)	5,978
Net Depreciation Expense			\$ (1,397)
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		1,314
408.11	Property Taxes		893
408.12	Payroll Taxes		859
408.13	Other Taxes and Licenses		150
408	Total Taxes Other Than Income		\$ 3,216
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 30,356
Utility Operating Income			\$ (1,150)
530	Add Back: Guaranteed Revenue (and AFPI)	S-9(a)	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ (1,150)

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

YEAR OF REPORT
December 31, 2003

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	3,869			3,869
354	Structures and Improvements	9,606			9,606
355	Power Generation Equipment				
360	Collection Sewers - Force	88,575			88,575
361	Collection Sewers - Gravity				
362	Special Collecting Structures	2,097			2,097
363	Services to Customers	17,363			17,363
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	7,717			7,717
371	Pumping Equipment	4,003			4,003
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	45,745			45,745
381	Plant Sewers				
382	Outfall Sewer Lines	102			102
389	Other Plant Miscellaneous Equipment	1,656			1,656
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	1,200			1,200
Total Wastewater Plant		\$ 181,933	\$	\$	\$ 181,933

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

S-4(a)
GROUP 1

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization							
352	Franchises							
353	Land and Land Rights		3,869					
354	Structures and Improvements				9,606			
355	Power Generation Equipment							
360	Collection Sewers - Force		88,575					
361	Collection Sewers - Gravity							
362	Special Collecting Structures		2,097					
363	Services to Customers		17,363					
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			7,717				
371	Pumping Equipment			4,003				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment							
381	Plant Sewers				45,745			
382	Outfall Sewer Lines							
389	Other Plant Miscellaneous Equipment				102			
390	Office Furniture and Equipment				1,656			
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 0	\$ 111,904	\$ 11,720	\$ 57,109	\$ 0	\$ 0	\$ 1,200

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements	33		3.03
355	Power Generation Equipment			
360	Collection Sewers - Force	30		3.33
361	Collection Sewers - Gravity			
362	Special Collecting Structures	37		2.70
363	Services to Customers	38		2.63
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	30		3.33
371	Pumping Equipment	20		5.00
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment	18		5.56
381	Plant Sewers			
382	Outfall Sewer Lines	30		3.33
389	Other Plant Miscellaneous Equipment	18		5.56
390	Office Furniture and Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equipment			
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible Plant	33		3.03
Wastewater Plant Composite Depreciation Rate *				

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

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	BALANCE AT BEGINNING OF YEAR	ACCRUALS	OTHER CREDITS *	TOTAL CREDITS (d+e)
(a)	(b)	(c)	(d)	(e)	(f)
354	Structures and Improvements	\$ 1,685	291		\$ 291
355	Power Generation Equipment				
360	Collection Sewers - Force	72,331	2,952		2,952
361	Collection Sewers - Gravity				
362	Special Collecting Structures	244	56		56
363	Services to Customers	13,021	457		457
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	6,301	258		258
371	Pumping Equipment	1,064	204		204
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	42,425	275		275
381	Plant Sewers				
382	Outfall Sewer Lines	16	4		4
389	Other Plant Miscellaneous Equipment	1,124	48		48
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	300	36		36
Total Depreciable Wastewater Plant in Service		\$ 138,511	\$ 4,581	\$ 0	\$ 4,581

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

UTILITY NAME: Marion Utilities, Inc.
 SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

YEAR OF REPORT
 December 31, 2003

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
(a)	(b)					
354	Structures and Improvements	\$	\$	\$	\$	\$ 1,976
355	Power Generation Equipment					
360	Collection Sewers - Force					75,283
361	Collection Sewers - Gravity					
362	Special Collecting Structures					300
363	Services to Customers					13,478
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					6,559
371	Pumping Equipment					1,268
375	Reuse Transmission and Distribution System					
380	Treatment and Disposal Equipment					42,700
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant Miscellaneous Equipment					20
390	Office Furniture and Equipment					1,172
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					336
Total Depreciable Wastewater Plant in Service						\$ 143,092

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ 159,141
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8(a)	\$ _____
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	\$ _____
Total Credits		\$ _____
Less debits charged during the year (All debits charged during the year must be explained below)		\$ _____
Total Contributions In Aid of Construction		\$ 159,141

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

WASTEWATER CIAC SCHEDULE "A"

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

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
		\$	\$
Total Credits			\$ 0

ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 134,322
Debits during the year:	
Accruals charged to Account 272	\$ 5,978
Other debits (specify):	
Total debits	\$ 5,978
Credits during the year (specify):	
Total credits	\$ 0
Balance end of year	\$ 140,300

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues			\$
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Authorities			
521.5	Multiple Family Dwelling Revenues			
521.6	Other Revenues			
521	Total Flat Rate Revenues	118	118	\$ 29,206
522.1	Measured Revenues: Residential Revenues			
522.2	Commercial Revenues			
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			
522	Total Measured Revenues	0	0	\$ 0
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
Total Wastewater Sales		118	118	\$ 29,206
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			
Total Other Wastewater Revenues				\$ 0

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Revenues			
540	Total Flat Rate Reuse Revenues	0	0	\$ 0
541.1	Measured Reuse Revenues: Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues	0	0	\$ 0
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				\$ 0
Total Wastewater Operating Revenues				\$ 29,206

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

YEAR OF REPORT
December 31, 2003

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES- OPERATIONS (f)	.4 PUMPING EXPENSES- MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES- OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES- MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 11,212						
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	1,682						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense							
715	Purchased Power	4,170	208				3,962	
716	Fuel for Power Production							
718	Chemicals	94					94	
720	Materials and Supplies							
731	Contractual Services-Engineering	250						
732	Contractual Services - Accounting							
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	5,770						5,770
736	Contractual Services - Other							
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expenses							
756	Insurance - Vehicle							
757	Insurance - General Liability							
758	Insurance - Workman's Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	5,359				536		4,823
	Total Wastewater Utility Expenses	\$ 28,537	\$ 0	\$ 0	\$ 208	\$ 536	\$ 4,056	\$ 10,593

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2003

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	\$ 11,212	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment		1,682				
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services-Engineering		250				
732	Contractual Services - Accounting						
733	Contractual Services - Legal						
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expenses						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workman's Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses						
767	- Amortization of Rate Case Expense						
770	Regulatory Commission Exp.-Other						
775	Bad Debt Expense						
	Miscellaneous Expenses						
	Total Wastewater Utility Expenses	\$ 0	\$ 13,144	\$ 0	\$ 0	\$ 0	\$ 0

S-10(b)
GROUP 1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2003
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SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	118	118
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				<u>118</u>

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

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

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

For wastewater only utilities:

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

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

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

ERC Calculation: $7,754,000 \div 118 \div 365 = 180$

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2003

SYSTEM NAME / COUNTY:

Cedar Hills Sewer/Marion

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.027		
Basis of Permit Capacity (1)	AADF		
Manufacturer	MARLOF		
Type (2)	Advanced Treatment		
Hydraulic Capacity	Unknown		
Average Daily Flow	21,243		
Total Gallons of Wastewater Treated	7,754,000		
Method of Effluent Disposal	PONDS		

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

(2) Contact stabilization, advanced treatment, etc.

S-12

GROUP 1

SYSTEM _____

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served 118

2. Maximum number of ERCs* which can be served 118

3. Present system connection capacity (in ERCs*) using existing lines 118

4. Future connection capacity (in ERCs*) upon service area buildout 0

5. Estimated annual increase in ERCs* 0

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
None

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No

If so, when? _____

9. Has the utility been required by the DEP or water management district to implement reuse? No

If so, what are the utility's plans to comply with this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? Never

11. If the present system does not meet the requirements of DEP rules:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

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? No

12. Department of Environmental Protection ID # FLA 010771

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