

CLASS "A" OR "B"

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Public Service Commission
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WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WS160-08-AR
Tim E. Thompson
Marion Utilities, Inc.
710 N.E. 30th Avenue
Ocala, FL 34470-6460

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Submitted To The

STATE OF FLORIDA



FOR THE

YEAR ENDED DECEMBER 31, 2008

CRIPPEN, TRICE
& HORNBY, LLP 
CERTIFIED PUBLIC ACCOUNTANTS

March 17, 2009

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To the Board of Directors
Marion Utilities, Inc.
Ocala, Florida

We have compiled the balance sheets of Marion Utilities, Inc. as of December 31, 2008 and 2007, and the related statements of income and retained earnings for the year ended December 31, 2008 included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The financial statements have been prepared in conformity with the accounting practices prescribed for water and wastewater utilities by the Florida Public Service Commission, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Our compilation is limited to presenting in the form prescribed by the Florida Public Service Commission information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Florida Public Service Commission which differs from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Crippen, Trice & Hornby, LLP

Members:
American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The fourth copy should be retained by the utility.

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**EXECUTIVE
SUMMARY**

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

CERTIFICATION OF ANNUAL REPORT

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

YES NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.

YES NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified

1.	2.	3.	4.
x	x	x	x



(Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.
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, 2008

Marion Utilities, Inc.
(Exact Name of Utility)

County: Marion

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

710 NE 30th Avenue
Ocala, Florida 34470

Telephone: 352-622-1171

E Mail Address:

WEB Site:

Sunshine State One-Call of Florida, Inc. Member Number MU 1408

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

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

Telephone: 352-622-1171

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

710 NE 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: November 25, 1980

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.	Tim E. Thompson	51%
2.	Linda L. Thompson	49%
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

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

NAME OR 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.

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 Tim 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 operation: 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 distributions 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 in 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 completed 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 during 1994 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 by the Florida Public Service Commission in 1994 and 1995. The order was final November 30, 1995. All refunds were made in December, 1995.

In 1996, we completed distribution expansion in various subdivisions to add 197 future connections to our systems. We relocated our Greenfields water plant and placed 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.

We added 97 new customers in 1997. 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.

(Continued on following page)

UTILITY NAME: Marion Utilities, Inc.

COMPANY PROFILE

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

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- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

In 1998 we added 108 customers. We completed the facilities for the additional 400 connections we had planned in 1997. The Spruce Creek water plant upgrade was completed. We are continuing 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.

We added another 117 new customers in 2000. We installed distribution facilities to serve 230 future customers. We completed all chemical testing required by the Department of Environmental Protection and distribution 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 was still on the docket with the Commission at the end of 2002.

In 2003 we finalized the sale of our Quadvilla System. Although we lost 260 customers from the Quadvilla sale, 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.

In 2004 we added transmission and distribution lines to serve Summerbrooke subdivision. This was an extension of our Fore Acres system, which required the addition of a new well to provide fire flow. We also received permits to expand our Spruce Creek distribution system for 500 connections. Engineering is in progress to expand the water plant serving this area. We also increased our customer base by 350 connections.

During 2005 we completed construction of the permitted 500 connections in the Spruce Creek System. Plant expansion permits are in progress. We also gained 400 customers.

In 2006 we started planning for our Spruce Creek Water Plant Expansion. We added 347 customers to our system.

In 2007 we continued our planning for the Spruce Creek Plant Expansion. Our goal is to commence construction in late 2008. We have delayed this upgrade due to the slow down in new home construction.

We delayed construction of our Spruce Creek Plant Expansion in 2008. The slow down in new home construction continued in our area as the overall economy weakens.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2007

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, 2008
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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%	\$ 175,657
Linda L. Thompson	Secretary/ Treasurer	100%	175,657

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	\$ 2,100
Linda L. Thompson	Secretary/ Treasurer	4	2,100

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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.			
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	Rent		Lou Earl Properties
Linda L. Thompson	Rent		Lou Earl Properties
Both partners in the affiliate	Rent	\$ 38,832	23664 NE 124th Place Road, Salt Springs Florida 32634

* 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, 2008
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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 NE 124th Place Road, Salt Springs Florida 32634
Linda L. Thompson	Secretary/Treasurer Marion Utilities, Inc.	Partner	Lou Earl Properties 23664 NE 124th Place Road, Salt Springs Florida 32634

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

**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.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCOUNT NUMBER (c)	REVENUES GENERATED (d)	ACCOUNT NUMBER (e)	EXPENSES INCURRED (f)	ACCOUNT NUMBER (g)
NONE	\$ _____		\$ _____		\$ _____	

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	-material and supplies furnished
-computer services	-leasing of structures, land, and equipment
-engineering & construction services	-rental transactions
-repairing and servicing of equipment	-sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY <small>(a)</small>	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT <small>(b)</small>	CONTRACT OR AGREEMENT EFFECTIVE DATES <small>(c)</small>	ANNUAL CHARGES	
			(P)urchased (S)old (d)	AMOUNT <small>(e)</small>
Lou Earl Properties	Rent	November, 1983	P	\$ 38,832

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

- 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.
3. The columnar instructions follow:
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
- (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.

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		\$	\$	\$	\$

**FINANCIAL
SECTION**

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

**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	\$ 5,273,231	\$ 5,299,198
108-110	Less: Accumulated Depreciation and Amortization	F-8	2,088,124	2,236,568
Net Plant			\$ 3,185,107	\$ 3,062,630
114-115	Utility Plant Acquisition adjustment (Net)	F-7	(25,277)	(24,286)
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 3,159,830	\$ 3,038,344
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization		0	0
Net Nonutility Property			\$ 0	\$ 0
123	Investment In Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	0	0
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 268,324	\$ 291,906
132	Special Deposits	F-9		0
133	Other Special Deposits	F-9		0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	17,526	28,825
145	Accounts Receivable from Associated Companies	F-12		0
146	Notes Receivable from Associated Companies	F-12		0
151-153	Material and Supplies		1,997	3,115
161	Stores Expense			
162	Prepayments		1,686	1,564
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	0	0
Total Current and Accrued Assets			\$ 289,533	\$ 325,410

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2008
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**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	\$ 0	\$ 0
182	Extraordinary Property Losses	F-13	0	0
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Misc. Deferred Debits	F-14	1,050	1,050
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes		1,612	1,612
	Total Deferred Debits		\$ 2,662	\$ 2,662
	TOTAL ASSETS AND OTHER DEBITS		\$ 3,452,025	\$ 3,366,416

* 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, 2008

**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	554,889	609,447
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 555,889	\$ 610,447
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	26,675	8,550
Total Long Term Debt			\$ 26,675	\$ 8,550
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		514,229	523,310
232	Notes Payable	F-18	27,097	18,124
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		120,965	118,750
236	Accrued Taxes	W/S-3	8,745	0
237	Accrued Interest	F-19	6,506	6,481
238	XXXX Accrued regulatory fees		37,822	35,653
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	138,444	119,151
Total Current & Accrued Liabilities			\$ 853,808	\$ 821,469

* Not Applicable for Class B Utilities

UTILITY NAME: Marion Utilities, Inc.

**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	132,286	132,286
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		3,974	3,740
Total Deferred Credits			\$ <u>136,260</u>	\$ <u>136,026</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ <u>0</u>	\$ <u>0</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 3,092,689	\$ 3,103,254
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	1,288,788	1,397,567
Total Net C.I.A.C.			\$ <u>1,803,901</u>	\$ <u>1,705,687</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 191,522	\$ 191,522
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		(116,030)	(107,285)
Total Accumulated Deferred Income Tax			\$ <u>75,492</u>	\$ <u>84,237</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>3,452,025</u>	\$ <u>3,366,416</u>

UTILITY NAME: Marion Utilities, Inc.

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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)	\$ 1,659,209	\$ 1,576,320
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		0
Net Operating Revenues			\$ 1,659,209	\$ 1,576,320
401	Operating Expenses	F-3(b)	\$ 1,300,645	\$ 1,341,301
403	Depreciation Expense:	F-3(b)	\$ 182,631	\$ 147,658
	Less: Amortization of CIAC	F-22	106,926	108,779
Net Depreciation Expense			\$ 75,705	\$ 38,879
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	3,865	0
407	Amortization Expense (Other than CIAC)	F-3(b)	918	820
408	Taxes Other Than Income	W/S-3	137,437	136,016
409	Current Income Taxes	W/S-3	8,745	0
410.10	Deferred Federal Income Taxes	W/S-3	11,055	0
410.11	Deferred State Income Taxes	W/S-3	2492	0
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	0	0
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3	0	0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	(233)	(233)
Utility Operating Expenses			\$ 1,540,629	\$ 1,516,783
Net Utility Operating Income			\$ 118,580	\$ 59,537
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		0
413	Income From Utility Plant Leased to Others			0
414	Gains (losses) From Disposition of Utility Property		0	-20
420	Allowance for Funds Used During Construction			0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 118,580	\$ 59,517

* For each account, Column e should agree with Cloumns 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)
\$ <u>1,536,994</u>	\$ <u>31,145</u>	\$ <u>8,181</u>
\$ <u>1,536,994</u>	\$ <u>31,145</u>	\$ <u>8,181</u>
\$ <u>1,291,012</u>	\$ <u>42,240</u>	\$ <u>8,049</u>
<u>144,388</u>	<u>3,270</u>	
<u>108,779</u>	<u>0</u>	
\$ <u>35,609</u>	\$ <u>3,270</u>	\$ _____
<u>0</u>	<u>0</u>	<u>0</u>
<u>820</u>	<u>0</u>	<u>0</u>
<u>132,826</u>	<u>3,067</u>	<u>123</u>
<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	
<u>(233)</u>		
\$ <u>1,460,034</u>	\$ <u>48,577</u>	\$ <u>8,172</u>
\$ <u>76,960</u>	\$ <u>(17,432)</u>	\$ <u>9</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>-20</u>	<u>0</u>	
\$ <u><u>76,940</u></u>	\$ <u><u>(17,432)</u></u>	\$ <u><u>9</u></u>

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

UTILITY NAME: Marion Utilities, Inc.

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COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 118,580	\$ 59,517
415	OTHER INCOME AND DEDUCTIONS Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income		3,197	1,885
421	Nonutility Income		10,998	991
426	Miscellaneous Nonutility Expenses		(9,124)	(895)
Total Other Income and Deductions			\$ 5,071	\$ 1,981
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes		0	0
410.20	Provision for Deferred Income Taxes		0	0
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$ 0	\$ 0
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 7,497	\$ 6,940
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 7,497	\$ 6,940
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ 0	\$ 0
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			\$ 116,154	\$ 54,558

Explain Extraordinary Income:

UTILITY NAME: Marion Utilities, Inc.

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SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 5,114,390	\$ 184,808
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	2,049,686	164,807
110	Accumulated Amortization	F-8	22,075	0
271	Contributions In Aid of Construction	F-22	2,944,113	159,141
252	Advances for Construction	F-20	132,286	
Subtotal			\$ -33,770	\$ -139,140
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	1,242,295	155,272
Subtotal			\$ 1,208,525	\$ 16,132
114	Plus or Minus: Acquisition Adjustments (2)	F-7	164,972	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)	
	Working Capital Allowance (3)		41,206	
	Other (Specify): Deferred income tax on C IAC		16,387	
RATE BASE			\$ 1,266,118	\$ 16,132
NET UTILITY OPERATING INCOME			\$ 76,940	\$ (17,432)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			6.08%	-108.06%

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, 2008
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**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 610,447	<u>73.929%</u>	<u>10.72%</u>	<u>7.93%</u>
Preferred Stock				
Long Term Debt	8,550	<u>1.035%</u>	<u>0.00%</u>	<u>0.00%</u>
Customer Deposits	118,750	<u>14.381%</u>	<u>6.00%</u>	<u>0.86%</u>
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes	84,237	<u>10.202%</u>	<u>0.00%</u>	<u>0.00%</u>
Other (Explain)				
Investment Tax Credits	3,740	<u>0.453%</u>	<u>0.00%</u>	<u>0.00%</u>
Total	\$ <u>825,724</u>	<u>100.000%</u>		<u>8.79%</u>

(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

Current Commission Return on Equity:	<u>10.72%</u>
Commission order approving Return on Equity:	<u>95-1193-FOF-W/S</u>

NOT APPLICABLE

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u> </u> %
Commission order approving AFUDC rate:	<u> </u>

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.

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**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 610,447	\$	\$	\$	\$	\$ 610,447
Preferred Stock						
Long Term Debt	8,550					8,550
Customer Deposits	118,750					118,750
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes	0					0
Other (Explain)						
Investment Tax Credits	3,740					3,740
Total	\$ 741,487	\$	\$	\$	\$	\$ 741,487

(1) Explain below all adjustments made in Columns (e) and (f):

UTILITY NAME: Marion Utilities, Inc.

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**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 4,891,907	\$ 184,808	\$ 0	\$ 5,076,715
102	Utility Plant Leased to Other				
103	Property Held for Future Use	1,581			1,581
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	220,902			220,902
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 5,114,390	\$ 184,808	\$ 0	\$ 5,299,198

**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	\$ _____	\$ _____	\$ _____	\$ _____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

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**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	6,733			6,733
	Windgate	20,895			20,895
	Total Plant Acquisition Adjustments	\$ 229,748	\$ -	\$ -	\$ 229,748
115	Accumulated Amortization				
	Order #11568	\$ (164,972)	\$	\$	\$ (164,972)
	Balance after order #11568	(113,399)			(113,399)
	Woods & Meadows	9,991			9,991
	Spruce Creek	31,229			31,229
	Deer Creek	(3,450)			(3,450)
	Windgate	(13,433)			(13,433)
	Total Accumulated Amortization	\$ (254,034)	\$ -	\$ -	\$ (254,034)
	Net Aquisition Adjustments	\$ (24,286)	\$ -	\$ -	\$ (24,286)

UTILITY NAME: Marion Utilities, Inc.

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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	\$ 1,905,331	\$ 161,537	\$ 0	\$ 2,066,868
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 144,388	\$ 3,270	\$	\$ 147,658
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$ 144,388	\$ 3,270	\$ 0	\$ 147,658
Debits during year:				
Book cost of plant retired	33	0		33
Cost of Removal				
Other Debits (specify):				
Total Debits	\$ 33	\$ 0	\$ 0	\$ 33
Balance end of year	\$ 2,049,686	\$ 164,807	\$ 0	\$ 2,214,493
ACCUMULATED AMORTIZATION Account 110				
Balance first of year	\$ 21,256	\$ 0	\$ 0	\$ 21,256
Credit during year:				
Accruals charged to:				
Account 407	\$ 819	\$ 0	\$ 0	\$ 819
Account 110.2 (2)				
Other Accounts (specify):				
Total credits	\$ 819	\$ 0	\$ 0	\$ 819
Debits during year:				
Book cost of plant retired	0			
Other debits (specify):				
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ 22,075	\$ 0	\$ 0	\$ 22,075

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

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**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)
	\$ 0		\$ 0
Total	\$ 0		\$ 0

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)
	\$ 0	\$ 0	\$ 0	\$ 0
Total Nonutility Property	\$ 0	\$ 0	\$ 0	\$ 0

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):	
	\$ 0
Total Special Deposits	\$ 0
OTHER SPECIAL DEPOSITS (Account 133):	
	\$ 0
Total Other Special Deposits	\$ 0

UTILITY NAME: Marion Utilities, Inc.

**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): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____
Total Investment in Associated Companies		\$ _____ 0
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____
Total Utility Investment		\$ _____ 0
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ 0 _____ _____ _____
Total Other Investment		\$ _____ 0
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____		\$ _____ 0 _____ _____ _____
Total Special Funds		\$ _____ 0

UTILITY NAME: Marion Utilities, Inc.

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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

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

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 28,780	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 28,780
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Returned check	\$ 45	
Total Other Accounts Receivable		\$ 45
NOTES RECEIVABLE (Account 144):		
	\$ 0	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 28,825
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 7,915	
Collection of accounts previously written off	91	
Utility Accounts		
Others		
Total Additions	\$ 8006	
Deduct accounts written off during year:		
Utility Accounts	8,006	
Others		
Total accounts written off	\$ 8006	
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 28,825

UTILITY NAME: Marion Utilities, Inc.

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ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

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

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

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

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

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

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

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

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

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ 0 _____ _____
Total Extraordinary Property Losses	\$ _____ _____

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**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)		
_____	\$ _____	\$ _____ 0
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ <u>_____ 0</u>	\$ <u>_____ 0</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Utility Deposits	\$ _____	\$ _____ 1,050
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ <u>_____ 0</u>	\$ <u>_____ 1,050</u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____ 0	\$ _____ 0
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ <u>_____ 0</u>	\$ <u>_____ 0</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u>_____</u>	\$ <u>_____ 1,050</u>

UTILITY NAME: Marion Utilities, Inc.

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**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	%	\$ 0
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)	
	%		\$ 0
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

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

UTILITY NAME: Marion Utilities, Inc.

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 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	\$ 554,889
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits:	\$ 0
	Total Credits:	\$ 0
	Debits:	\$ 0
	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ 54,558
436	Appropriations of Retained Earnings:	0
	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared	
438	Common Stock Dividends Declared	0
	Total Dividends Declared	\$ 0
215	Year end Balance	\$ 609,447
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	0
214	Total Appropriated Retained Earnings	\$ 0
Total Retained Earnings		\$ 609,447
Notes to Statement of Retained Earnings:		

UTILITY NAME: Marion Utilities, Inc.

ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
	\$ 0
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)	
Note on vehicle Issue date 10/10/06 - Maturity 10/10/10	0.00 %	Fixed	\$ 18,812
Note on vehicle Issue date 3/31/04 - Maturity 3/31/09	0.00 %	Fixed	3,811
Note on vehicle Issue date 8/31/06 - Maturity 8/31/09	0.00 %	Fixed	4,051
	%		
	%		
	%		
	%		
Less, Current Portion on page F-18	%		(18,124)
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ <u>8,550</u>

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

UTILITY NAME: Marion Utilities, Inc.

**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	%		\$ 18,124
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ 18,124
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
	%		\$ 0
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ 0

* 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)
	\$ 0
Total	\$ 0

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

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	\$ 0		\$ 0	\$ 0	\$
Total Account 237.1	\$ 0		\$ 0	\$ 0	\$ 0
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits - Water	\$ 6,442	427	\$ 6,850	\$ 6,875	\$ 6,417
Customer Deposits - Sewer	64		90	90	64
Total Account 237.2	\$ 6,506		\$ 6,940	\$ 6,965	\$ 6,481
Total Account 237 (1)	\$ 6,506		\$ 6,940	\$ 6,965	\$ 6,481
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 6,940		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$ 6,940		

(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, 2008

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Accrued officers' salaries	\$ 20,000
Accrued profit sharing contribution payable	59,337
Accrued professional fees	18,250
Customer prepayments	21,564
Total Miscellaneous Current and Accrued Liabilities	\$ 119,151

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT. DEBIT (c)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
			AMOUNT (d)			
Southern Multicapital Corp	\$ 0	231	\$ 0		\$ 132,286	\$ 132,286
Total	\$		\$		\$ 132,286	\$ 132,286

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2008
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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, 2008
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**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	\$ <u>2,933,548</u>	\$ <u>159,141</u>	\$ _____	\$ <u>3,092,689</u>
Add credits during year:	\$ <u>10,565</u>	\$ <u>0</u>	\$ _____	\$ <u>10,565</u>
Less debit charged during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Contribution In Aid of Construction	\$ <u>2,944,113</u>	\$ <u>159,141</u>	\$ <u>0</u>	\$ <u>3,103,254</u>

**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	\$ <u>1,133,516</u>	\$ <u>155,272</u>	\$ _____	\$ <u>1,288,788</u>
Debits during the year:	\$ <u>108,779</u>	\$ <u>0</u>	\$ _____	\$ <u>108,779</u>
Credits during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>1,242,295</u>	\$ <u>155,272</u>	\$ <u>0</u>	\$ <u>1,397,567</u>

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2008

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

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

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 54,558
Add back income tax		0
Reconciling items for the year:		
Taxable income not reported on books:		
_____		0

Deductions recorded on books not deducted for return:		
Officer's life insurance premiums		7,200
Charitable contributions		290
Accrued salaries due to shareholders not paid this year		20,000
Amortization - other		580
Excess of book depreciation over tax depreciation		29,254
Excess of book/tax gain/loss on asset disposition		21
Income recorded on books not included in return:		
Amortization of CIAC		(108,779)
ITC restored to income		(233)
Net amortization of acquisition adjustments		(992)
Deduction on return not charged against book income:		
Prior year accrued salaries to shareholders paid this year		(42,544)

Rounding		(1)

Federal tax net income		\$ (40,646)

Computation of tax :

None - due to net loss

Book income	54,558
less, permanent differences	<u>-55,562</u>
Net loss-income tax computation (book)	-1,004

**WATER
OPERATION
SECTION**

GROUP 1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

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	347 W	1
*Windgate Estates/Marion	347 W	2
*Includes Bordering Oaks Estates and Colebrook		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2008
--

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service 4,777,490+114,417	W-4(b)	\$ 4,891,907
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation 1,981,995+67,691	W-6(b)	2,049,686
110	Accumulated Amortization 22,075+0	F-8	22,075
271	Contributions In Aid of Construction 2,877,066+67,047	W-7	2,944,113
252	Advances for Construction 132,286+0	F-20	132,286
Subtotal			\$ -256,253
272	Add: Accumulated Amortization of Contributions in Aid of Construction 1,188,777+53,518	W-8(a)	\$ 1,242,295
Subtotal			\$ 986,042
	Plus or Minus:		
114	Acquisition Adjustments (2) Order #11568 only	F-7	164,972
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)
	Working Capital Allowance (3)		41,206
	Other (Specify): Deferred income taxes on CIAC		16,387
103	Property held for future use		1,581
105	Construction work in process		220,902
WATER RATE BASE			\$ 1,266,118
WATER OPERATING INCOME		W-3	\$ 76,940
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			<u>6.08%</u>

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, 2008
--

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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)	\$ 4,777,490
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	1,981,995
110	Accumulated Amortization	F-8	22,075
271	Contributions In Aid of Construction	W-7	2,877,066
252	Advances for Construction	F-20	132,286
Subtotal			\$ -235,932
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 1,188,777
Subtotal			\$ 952,845
	Plus or Minus:		
114	Acquisition Adjustments (2) Order #11568 only	F-7	164,972
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(164,972)
	Working Capital Allowance (3)		41,206
	Other (Specify): Deferred income taxes on CIAC		16,387
103	Property held for future use		1,581
105	Construction work in process		220,902
WATER RATE BASE			\$ 1,232,921
WATER OPERATING INCOME		W-3	\$ 76,940
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			6.24%

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, 2008

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 1,536,994
469	Less: Guaranteed Revenue and AFPI	W-9	0
Net Operating Revenues			\$ 1,536,994
401	Operating Expenses	W-10(a)	\$ 1,291,012
403	Depreciation Expense 141,103+3,285	W-6(a)	144,388
	Less: Amortization of CIAC 106,720+2,059	W-8(a)	108,779
Net Depreciation Expense			\$ 35,609
406	Amortization of Utility Plant Acquisition Adjustment	F-7	0
407	Amortization Expense (Other than CIAC)	F-8	820
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		69,165
408.11	Property Taxes		23,608
408.12	Payroll Taxes		38,794
408.13	Other Taxes and Licenses		1,259
408	Total Taxes Other Than Income		\$ 132,826
409.1	Income Taxes		0
410.10	Deferred Federal Income Taxes		0
410.11	Deferred State Income Taxes		0
411.10	Provision for Deferred Income Taxes - Credit		0
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		(233)
Utility Operating Expenses			\$ 1,460,034
Utility Operating Income			\$ 76,960
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		(20)
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 76,940

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.
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	1,375		88,494
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	299,687	5,471	0	305,158
320	Water Treatment Equipment	30,663		0	30,663
330	Distribution Reservoirs and Standpipes	179,545	8,811	52	188,304
331	Transmission and Distribution Mains	2,789,237	2,918		2,792,155
333	Services	498,910	1,094		500,004
334	Meters and Meter Installations	300,494	631		301,125
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	74,345	4,480	0	78,825
341	Transportation Equipment	150,391	0	0	150,391
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	23,198	0	0	23,198
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	5,458			5,458
347	Miscellaneous Equipment				
348	Other Tangible Plant	35,519	0	0	35,519
TOTAL WATER PLANT		\$ 4,752,762	\$ 24,780	\$ 52	\$ 4,777,490

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

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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	88,494					88,494
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	305,158		305,158			
320	Water Treatment Equipment	30,663		30,663			
330	Distribution Reservoirs and Standpipes	188,304				188,304	
331	Transmission and Distribution Mains	2,792,155				2,792,155	
333	Services	500,004				500,004	
334	Meters and Meter Installations	301,125				301,125	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment	78,825					78,825
341	Transportation Equipment	150,391					150,391
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	23,198					23,198
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment	5,458					5,458
347	Miscellaneous Equipment						
348	Other Tangible Plant	35,519					35,519
TOTAL WATER PLANT		\$ 4,777,490	\$ 25,391	\$ 452,546	\$ 30,663	\$ 3,781,588	\$ 487,302

W-4(b)
GROUP 1

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/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	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.

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

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	\$ 58,366	\$ 2,149	\$	\$ 2,149
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	98,436	3,497		3,497
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	224,910	12,654		12,654
320	Water Treatment Equipment	19,545	1,394		1,394
330	Distribution Reservoirs and Standpipes	85,894	4,626		4,626
331	Transmission and Distribution Mains	825,101	62,165		62,165
333	Services	133,899	12,360		12,360
334	Meters and Meter Installations	206,611	9,986		9,986
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	59,379	5,168		5,168
341	Transportation Equipment	91,515	23,251		23,251
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	5,542	1,432		1,432
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	4,264	298		298
347	Miscellaneous Equipment				
348	Other Tangible Plant	27,463	2,123		2,123
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,840,925	\$ 141,103	\$	\$ 141,103

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

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements					\$ 60,515
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					101,933
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment	0				237,564
320	Water Treatment Equipment					20,939
330	Distribution Reservoirs and Standpipes	32				90,488
331	Transmission and Distribution Mains					887,266
333	Services					146,259
334	Meters and Meter Installations					216,597
335	Hydrants					
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					64,547
341	Transportation Equipment	0	1			114,765
342	Stores Equipment		rounding			
343	Tools, Shop and Garage Equipment					6,974
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					4,562
347	Miscellaneous Equipment					
348	Other Tangible Plant					29,586
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 1,981,995

W-6(b)
GROUP 1

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2008

SYSTEM NAME / COUNTY :

Marion Utilities/Marion

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 2,866,851
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 10,215
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	0
Total Credits		\$ 10,215
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 0
Total Contributions In Aid of Construction		\$ 2,877,066

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, 2008

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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	15	\$ 250 - 755	\$ 8,065
Construction			2,150
Total Credits			\$ 10,215

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 1,082,057
Debits during the year:	
Accruals charged to Account 272	\$ 106,720
Other debits (specify):	
Total debits	\$ 106,720
Credits during the year (specify):	
	\$ 0
Total credits	\$ 0
Balance end of year	\$ 1,188,777

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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

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

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

YEAR OF REPORT
 December 31, 2008

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	6,082	6,097	1,452,898
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		6,082	6,097	\$ 1,452,898
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		6,082	6,097	\$ 1,452,898
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			50,180
471	Miscellaneous Service Revenues			14,000
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			19,916
Total Other Water Revenues				\$ 84,096
Total Water Operating Revenues				\$ 1,536,994

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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	\$ 231,500	\$ 34,914	\$ 28,853
603	Salaries and Wages - Officers, Directors and Majority Stockholders	351,314	17,566	8,783
604	Employee Pensions and Benefits	122,177	12,071	8,831
610	Purchased Water	0		
615	Purchased Power	105,940	101,334	
616	Fuel for Power Purchased	9,439		
618	Chemicals	15,032		
620	Materials and Supplies	0		
631	Contractual Services-Engineering	23,055		
632	Contractual Services - Accounting	24,272		
633	Contractual Services - Legal	1,542		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	24,412		
636	Contractual Services - Other	0		
641	Rental of Building/Real Property	38,832		
642	Rental of Equipment			
650	Transportation Expenses	27,939	5,348	2,674
656	Insurance - Vehicle	11,447		
657	Insurance - General Liability	4,143		
658	Insurance - Workman's Comp.	11,969		
659	Insurance - Other	54,321		
660	Advertising Expense	140		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	7,914		
675	Miscellaneous Expenses	225,624	23,858	11,929
Total Water Utility Expenses		\$ 1,291,012	\$ 195,091	\$ 61,070

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATION (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)
\$ 47,035	\$	\$ 28,703	\$	\$ 85,439	\$ 6,556
11,073		35,131		193,223	96,611
		14,439		53,524	22,239
9,047					4,606
15,032					392
			22,805		250
					24,272
					1,542
24,412					0
					38,832
5,348		6,685		4,011	3,873
					11,447
					4,143
					11,969
					54,321
					140
23,858		59,646		7,914	
				47,467	58,866
\$ 135,805	\$	\$ 144,604	\$ 22,805	\$ 391,578	\$ 340,059

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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		44,174	4,150	40,024	38,915
February		39,402	4,150	35,252	33,806
March		49,381	4,150	45,231	35,169
April		60,081	5,200	54,881	52,086
May		85,385	6,000	79,385	73,271
June		56,274	2,000	54,274	59,597
July		42,424	4,000	38,424	37,461
August		40,734	1,000	39,734	38,017
September		49,260	6,000	43,260	37,621
October		53,625	2,000	51,625	47,271
November		50,986	4,000	46,986	43,767
December		43,985	5,000	38,985	35,335
Total for Year		615,711	47,650	568,061	532,316

If water is purchased for resale, indicate the following:

Vendor Not applicable

Point of delivery _____

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

Not applicable

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

SUPPORTING SCHEDULE FOR PAGE W-11

Marion Utilities, Inc.

Year of Report - December 31, 2008

Subdivision	Capacity of Well	Gallons Per Day From Source	Type of Source
Pine Ridge	604,000	65,258	Ground
Cedar Hills	1,173,000	90,986	Ground
Fore Acres	2,160,000	119,903	Ground
Golden Holiday	470,000	20,450	Ground
Fort King	604,000	38,000	Ground
Hi-Cliff	604,000	76,612	Ground
Rainbow Lakes Est.	1,238,000	115,419	Ground
Stone Oaks	316,000	13,387	Ground
Ponderosa	72,000	3,161	Ground
Waldbusser	72,000	2,806	Ground
Buckskin	201,000	8,064	Ground
Libra Oaks	175,000	9,714	Ground
Logans Run	259,000	9,516	Ground
Greenfields	1,238,000	163,451	Ground
Sheri Oaks	129,000	3,483	Ground
Oak Creek	129,000	27,258	Ground
McAteers	129,000	20,000	Ground
Woods & Meadows	979,000	113,096	Ground
Spruce Creek	2,736,000	422,935	Ground
Deer Creek	129,000	7,903	Ground
Windgate	518,000	45,354	Ground
Turning Point	518,000	13,129	Ground

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : All Systems/Marion County

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>See Supporting Schedule</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: _____

SUPPORTING SCHEDULE FOR PAGE W-12

Marion Utilities, Inc.

Year of Report - December 31, 2008

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	Storage Tank	Hypo-Chlorination
Fore Acres	540,000	Storage Tank	Hypo-Chlorination
Golden Holiday	208,000	Storage Tank	Hypo-Chlorination
Fort King	360,000	Storage Tank	Hypo-Chlorination
Hi-Cliff	360,000	Storage Tank	Hypo-Chlorination
Rainbow Lakes Est.	547,000	Storage Tank	Hypo-Chlorination
Stone Oaks	158,000	Storage Tank	Hypo-Chlorination
Ponderosa	34,000	Storage Tank	Hypo-Chlorination
Waldbusser	34,000	Storage Tank	Hypo-Chlorination
Buckskin	64,000	Storage Tank	Hypo-Chlorination
Libra Oaks	61,000	Storage Tank	Hypo-Chlorination
Logans Run	125,000	Storage Tank	Hypo-Chlorination
Greenfields	547,000	Storage Tank	Hypo-Chlorination
Sheri Oaks	54,000	Storage Tank	Hypo-Chlorination
Oak Creek	54,000	Storage Tank	Hypo-Chlorination
McAteers	61,000	Storage Tank	Hypo-Chlorination
Woods & Meadows	370,000	Storage Tank	Hypo-Chlorination
Spruce Creek	1,500,000	Storage Tank	Hypo-Chlorination
Deer Creek	24,000	Storage Tank	Hypo-Chlorination
Windgate	84,000	Storage Tank	Hypo-Chlorination
Turning Point	66,150	Storage Tank	Hypo-Chlorination

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Marion Utilities/Marion County

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	6,182	6,182
3/4"	Displacement	1.5		
1"	Displacement	2.5	32	80
1 1/2"	Displacement or Turbine	5.0	3	15
2"	Displacement, Compound or Turbine	8.0	3	24
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				6,301

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

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

ERC Calculation:

$$518,708,000 / 6,301 / 365 = 225$$

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY : Pine Ridge/Marion County

YEAR OF REPORT
December 31, 2008

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. 211

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.
SYSTEM NAME / COUNTY : Cedar Hills/Marion County

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. 405
2. Maximum number of ERCs * which can be served. 650
3. Present system connection capacity (in ERCs *) using existing lines. 405
4. Future connection capacity (in ERCs *) upon service area buildout. 405
5. Estimated annual increase in ERCs *. 1
6. Is the utility required to have fire flow capacity?
If so, how much capacity is required? No
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.
SYSTEM NAME / COUNTY : Fore Acres/Marion County

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. 495

2. Maximum number of ERCs * which can be served. 639

3. Present system connection capacity (in ERCs *) using existing lines. 500

4. Future connection capacity (in ERCs *) upon service area buildout. 500

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.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Golden Holiday/Marion County

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. 183
2. Maximum number of ERCs * which can be served. 512
3. Present system connection capacity (in ERCs *) using existing lines. 183
4. Future connection capacity (in ERCs *) upon service area buildout. 183
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 County

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. 94
2. Maximum number of ERCs * which can be served. 100
3. Present system connection capacity (in ERCs *) using existing lines. 94
4. Future connection capacity (in ERCs *) upon service area buildout. 94
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.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Hi-Cliff/Marion County

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. 299
2. Maximum number of ERCs * which can be served. 299
3. Present system connection capacity (in ERCs *) using existing lines. 299
4. Future connection capacity (in ERCs *) upon service area buildout. 299
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.

SYSTEM NAME / COUNTY : Rainbow Lakes Estates/Marion County

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. 539
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? Yes - 750 gpm
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. 20 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 # 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.
SYSTEM NAME / COUNTY : Stone Oaks/Marion County

YEAR OF REPORT
December 31, 2008

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. 85

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

3. Present system connection capacity (in ERCs *) using existing lines. 85

4. Future connection capacity (in ERCs *) upon service area buildout. 85

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, 2008

SYSTEM NAME / COUNTY : Ponderosa/Marion County

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. 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.
SYSTEM NAME / COUNTY: Waldbusser/Marion County

YEAR OF REPORT
December 31, 2008

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. 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.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Buckskin/Marion County

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. 73
2. Maximum number of ERCs * which can be served. 158
3. Present system connection capacity (in ERCs *) using existing lines. 73
4. Future connection capacity (in ERCs *) upon service area buildout. 73
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity?
If so, how much capacity is required? No
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, 2008

SYSTEM NAME / COUNTY : Libra Oaks/Marion County

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. 106

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, 2008

SYSTEM NAME / COUNTY : International Villas/Marion County

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. 41
2. Maximum number of ERCs * which can be served. 308
3. Present system connection capacity (in ERCs *) using existing lines. 41
4. Future connection capacity (in ERCs *) upon service area buildout. 308
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity?
If so, how much capacity is required? No
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, 2008

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

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. 522
2. Maximum number of ERCs * which can be served. 1,347
3. Present system connection capacity (in ERCs *) using existing lines. 522
4. Future connection capacity (in ERCs *) upon service area buildout. 522
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.
SYSTEM NAME / COUNTY : Sheri Oaks/Marion County

YEAR OF REPORT
December 31, 2008

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. 21

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

3. Present system connection capacity (in ERCs *) using existing lines. 21

4. Future connection capacity (in ERCs *) upon service area buildout. 133

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, 2008

SYSTEM NAME / COUNTY : Oak Creek Caverns/Marion County

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. 43
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, 2008

SYSTEM NAME / COUNTY : McAteer Acres/Marion County

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?
If so, how much capacity is required? No
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.

W-14
GROUP 1
SYSTEM _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Woods & Meadows/Marion County

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. 510
2. Maximum number of ERCs * which can be served. 911
3. Present system connection capacity (in ERCs *) using existing lines. 700
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.

W-14
GROUP 1
SYSTEM _____

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Spruce Creek/Marion County

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 2,359
2. Maximum number of ERCs * which can be served. 4,000
3. Present system connection capacity (in ERCs *) using existing lines. 2,359
4. Future connection capacity (in ERCs *) upon service area buildout. 3,632
5. Estimated annual increase in ERCs *. 200
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.

W-14
GROUP 1
SYSTEM _____

UTILITY NAME: Marion Utilities, Inc.
SYSTEM NAME / COUNTY : Deer Creek/Marion County

YEAR OF REPORT
December 31, 2008

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. 49

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, 2008

SYSTEM NAME / COUNTY : Turning Pointe/Marion County

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. 85
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.

W-14
GROUP 1
SYSTEM _____

**WATER
OPERATION
SECTION**

GROUP 2

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

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	347 W	1
*Windgate Estates/Marion	347 W	2
*Includes Bordering Oaks Estates and Colebrook		

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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)	\$ 114,417
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	67,691
110	Accumulated Amortization	F-8	0
271	Contributions In Aid of Construction	W-7	67,047
252	Advances for Construction	F-20	0
Subtotal			\$ (20,321)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 53,518
Subtotal			\$ 33,197
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0
	Working Capital Allowance (3)		0
	Other (Specify):		0
103	Property held for future use		0
105	Construction work in process		0
WATER RATE BASE			\$ 33,197
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, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

INFORMATION NOT AVAILABLE

WATER OPERATING STATEMENT

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

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

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	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	13,957	1,194		15,151
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	10,705	45		10,750
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		\$ 113,178	\$ 1,239	\$	\$ 114,417

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

YEAR OF REPORT
December 31, 2008

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

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization						
302	Franchises						
303	Land and Land Rights	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	15,151		15,151			
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	10,750				10,750	
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		\$ 114,417	\$	\$ 26,651	\$ 2,575	\$ 73,804	\$ 11,387

W-4(b)
GROUP 2

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT December 31, 2008
--

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

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, 2008

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

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	\$ 4,523	\$ 293	\$	\$ 293
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	6,395	383		383
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	7,806	848		848
320	Water Treatment Equipment	1,437	100		100
330	Distribution Reservoirs and Standpipes	6,713	229		229
331	Transmission and Distribution Mains	23,617	1,118		1,118
333	Services	3,980	163		163
334	Meters and Meter Installations	9,935	151		151
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		\$ 64,406	\$ 3,285	\$	\$ 3,285

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

W-6(a)

GROUP 2

UTILITY NAME:

Marion Utilities, Inc.

SYSTEM NAME / COUNTY :

Windgate Estates/Marion County

YEAR OF REPORT
December 31, 2008

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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs				0	4,816
306	Lake, River and Other Intakes				0	
307	Wells and Springs				0	
308	Infiltration Galleries and Tunnels				0	6,778
309	Supply Mains				0	
310	Power Generation Equipment				0	
311	Pumping Equipment				0	
320	Water Treatment Equipment				0	8,654
330	Distribution Reservoirs and Standpipes				0	1,537
331	Transmission and Distribution Mains				0	6,942
333	Services				0	24,735
334	Meters and Meter Installations				0	4,143
335	Hydrants				0	10,086
336	Backflow Prevention Devices				0	
339	Other Plant Miscellaneous Equipment				0	
340	Office Furniture and Equipment				0	
341	Transportation Equipment				0	
342	Stores Equipment				0	
343	Tools, Shop and Garage Equipment				0	
344	Laboratory Equipment				0	
345	Power Operated Equipment				0	
346	Communication Equipment				0	
347	Miscellaneous Equipment				0	
348	Other Tangible Plant				0	
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$	\$ 67,691

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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)
Customer connection fee	one	\$ 350	\$ 350
Total Credits			\$ 350

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 51,459
Debits during the year:	
Accruals charged to Account 272	\$ 2,059
Other debits (specify) :	
Total debits	\$ 2,059
Credits during the year (specify) :	
	\$ 0
Total credits	\$ 0
Balance end of year	\$ 53,518

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

NOT AVAILABLE

WATER OPERATING REVENUE

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

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

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

WATER UTILITY EXPENSE ACCOUNTS			NOT AVAILABLE	
ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS	.2 SOURCE OF SUPPLY AND EXPENSES MAINTENANCE
(a)	(b)	(c)	(d)	(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 Purchased	_____	_____	_____
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, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

NOT AVAILABLE

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total for Year					13,608

If water is purchased for resale, indicate the following:

Vendor Not applicable

Point of delivery _____

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

Not applicable

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, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>See Supporting Schedule</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, 2008

SYSTEM NAME / COUNTY : Windgate Estates

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	149	149
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				149

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:

$$13,608,300 / 149 / 365 = 250$$

TILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Windgate Estates/Marion County

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. 149
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, 2008

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	336 S	1

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT December 31, 2008
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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)	\$ 184,808
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	164,807
110	Accumulated Amortization		
271	Contributions In Aid of Construction	S-7	159,141
252	Advances for Construction	F-20	
Subtotal			\$ (139,140)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 155,272
Subtotal			\$ 16,132
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		
	Other (Specify):		
WASTEWATER RATE BASE			\$ 16,132
WASTEWATER OPERATING INCOME		S-3	\$ (17,432)
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			None

- 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, 2008
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 31,145
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
Net Operating Revenues			\$ 31,145
401	Operating Expenses	S-10(a)	\$ 42,240
403	Depreciation Expense	S-6(a)	3,270
	Less: Amortization of CIAC	S-8(a)	0
Net Depreciation Expense			\$ 3,270
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		1,402
408.11	Property Taxes		774
408.12	Payroll Taxes		891
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 3,067
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			\$ 48,577
Utility Operating Income			\$ (17,432)
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			\$ (17,432)

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY :

Cedar Hills Sewer/Marion County

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	1,397	0		1,397
396	Communication Equipment				
397	Miscellaneous Equipment	1,478	0		1,478
398	Other Tangible Plant	1,200			1,200
	Total Wastewater Plant	\$ 184,808	\$	\$	\$ 184,808

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

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion County

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (k)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (l)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (m)	.7 GENERAL PLANT (n)
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				45,745			
381	Plant Sewers							
382	Outfall Sewer Lines				102			
389	Other Plant Miscellaneous Equipment				1,656			
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							1,397
395	Power Operated Equipment							
396	Communication Equipment							1,478
397	Miscellaneous Equipment							1,200
398	Other Tangible Plant							
	Total Wastewater Plant	\$	\$ 111,904	\$ 11,720	\$ 57,109	\$	\$	\$ 4,075

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

S-4(b)
GROUP 1

UTILITY NAME:

Marion Utilities, Inc.

YEAR OF REPORT

December 31, 2008

SYSTEM NAME / COUNTY :

Cedar Hills Sewer/Marion County

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, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 3,140	291		\$ 291
355	Power Generation Equipment				0
360	Collection Sewers - Force	87,095	1,482		1,482
361	Collection Sewers - Gravity				0
362	Special Collecting Structures	528	57		57
363	Services to Customers	15,306	457		457
364	Flow Measuring Devices	0			0
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	7,587	129		129
371	Pumping Equipment	2,084	204		204
375	Reuse Transmission and Distribution System				0
380	Treatment and Disposal Equipment	43,800	275		275
381	Plant Sewers				0
382	Outfall Sewer Lines	33	3		3
389	Other Plant Miscellaneous Equipment	1,484	336		336
390	Office Furniture and Equipment				0
391	Transportation Equipment				0
392	Stores Equipment				0
393	Tools, Shop and Garage Equipment				0
394	Laboratory Equipment				0
395	Power Operated Equipment				0
396	Communication Equipment				0
397	Miscellaneous Equipment				0
398	Other Tangible Plant	480	36		36
Total Depreciable Wastewater Plant in Service		\$ 161,537	\$ 3,270	\$	\$ 3,270

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

YEAR OF REPORT
December 31, 2008

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

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED	SALVAGE AND INSURANCE	COST OF REMOVAL AND OTHER CHARGES	TOTAL CHARGES	BALANCE AT END OF YEAR
(a)	(b)	(g)	(h)	(i)	(j)	(c+f-j) (k)
354	Structures and Improvements					\$ 3,431
355	Power Generation Equipment					
360	Collection Sewers - Force					88,577
361	Collection Sewers - Gravity					
362	Special Collecting Structures					585
363	Services to Customers					15,763
364	Flow Measuring Devices					
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					7,716
370	Receiving Wells					2,288
371	Pumping Equipment					
375	Reuse Transmission and Distribution System					44,075
380	Treatment and Disposal Equipment					
381	Plant Sewers					36
382	Outfall Sewer Lines					1,820
389	Other Plant Miscellaneous Equipment					
390	Office Furniture and Equipment					
391	Transportation Equipment					
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					
394	Laboratory Equipment					
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					516
Total Depreciable Wastewater Plant in Service						\$ 164,807

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

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

YEAR OF REPORT
December 31, 2008

**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		\$ 0
Less debits charged during the year (All debits charged during the year must be explained below)		\$ 0
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, 2008

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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)
_____	_____	\$ _____	\$ None
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ _____

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

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 155,272
Debits during the year:	
Accruals charged to Account 272	\$ 0
Other debits (specify):	_____
_____	_____
_____	_____
Total debits	\$ 0
Credits during the year (specify):	
_____	\$ 0
_____	_____
Total credits	\$ 0
Balance end of year	\$ 155,272

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT
December 31, 2008

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

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
		\$ None
Total Credits		\$ 0

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

YEAR OF REPORT December 31, 2008
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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	117	117	\$ 31,145
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	117	117	\$ 31,145
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		117	117	\$ 31,145
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, 2008
--

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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				\$ 31,145

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

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY: Cedar Hills Sewer/Marion County

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	\$ 10,800						
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	2,160						
710	Purchased Sewage Treatment							
711	Sludge Removal Expense				317			
715	Purchased Power	6,341					6,024	
716	Fuel for Power Purchased							
718	Chemicals	8,094					8,094	
720	Materials and Supplies							
731	Contractual Services-Engineering	0						
732	Contractual Services - Accounting							
733	Contractual Services - Legal							
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	8,043						8,043
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							
775	Miscellaneous Expenses	6,802				680		6,122
Total Wastewater Utility Expenses		\$ 42,240	\$	\$	\$ 317	\$ 680	\$ 14,118	\$ 14,165

YEAR OF REPORT
December 31, 2008

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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	\$	10,800	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment		2,160				
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services-Engineering		0				
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 - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses						
Total Wastewater Utility Expenses		\$	\$ 12,960	\$	\$	\$	\$

UTILITY NAME: Marion Utilities, Inc.

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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 (e x d) (e)
All Residential		1.0	117	117
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				117

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:

$$6,565,000 / 117 / 365 = 153$$

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

WASTEWATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0270		
Basis of Permit Capacity (1)	AADF		
Manufacturer	MARLOF		
Type (2)	Advance Treatment		
Hydraulic Capacity	Unknown		
Average Daily Flow	18,394		
Total Gallons of Wastewater Treated	6,714,000		
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.

UTILITY NAME: Marion Utilities, Inc.

YEAR OF REPORT
December 31, 2008

SYSTEM NAME / COUNTY : Cedar Hills Sewer/Marion County

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 117

2. Maximum number of ERCs* which can be served 117

3. Present system connection capacity (in ERCs*) using existing lines 117

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.

Regulatory Assessment Fee Revenue
Water Operations
Class A & B

Company: Marion Utilities, Inc.
For the Year Ended December 31, 2008

(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)	1,452,898	1,452,898	0
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)	84,096	84,096	0
Total Water Operating Revenue	\$ 1,536,994	\$ 1,536,994	\$ 0
LESS: Expense for Purchased Water from FPSC Regulated Utility			
Net Water Operating Revenues	\$ 1,536,994	\$ 1,536,994	\$ 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).

***Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B***

Company: Marion Utilities, Inc.
For the Year Ended December 31, 2008

(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)	\$ _____	\$ _____	\$ _____
Total Metered Sales (522.1 - 522.5)	31,145	31,145	0
Revenues from Public Authorities (523)	_____	_____	_____
Revenues from Other Systems (524)	_____	_____	_____
Interdepartmental Sales (467)	_____	_____	_____
Total Other Wastewater Revenues (530 - 536)	_____	_____	_____
Reclaimed Water Sales (540.1 - 544)	_____	_____	_____
<i>Total Wastewater Operating Revenue</i>	<i>\$ 31,145</i>	<i>\$ 31,145</i>	<i>\$ 0</i>
LESS: Expense for Purchased Wastewater from FPSC Regulated Utility	_____	_____	_____
<i>Net Wastewater Operating Revenues</i>	<i>\$ 31,145</i>	<i>\$ 31,145</i>	<i>\$ 0</i>

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).