

OFFICIAL COPY CLASS "A" OR "B"

WATER AND/OR WASTE WATER UTILITIES

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

Do Not Remove from this Office ANNUAL REPORT

OF SU733 49 Florida Water Services Corporation P. O. Box 609520 Orlando, FL 32860-9520

WS226-00-AR FLORIDA WATER SERVICES CORPORATION

- (WS225-Putnam) (WS226-Duval) (WS227-Lake) (WS228-Orange) (WS230-Seminole) (WS231-Martin) (WS487-Marion) (WS548-Volusia) (WS554-Pasco) (WS565-Lee/Charlotte) (WS574-Nassau) (WS618-Highlands) (WU229-Osceola) (WS685-Hernando) (WS673-Washington) (WS734-Charlotte) (WU561-Brevard) (WU693-Bradford) (WU721-St. Johns/Duval) (WS765-Polk) (WU473-Clay) (SU699-St. Lucie) (SU733-Osceola)

0020 Certificate Number(s)

Submitted To The STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 00

RECEIVED FLORIDA PUBLIC SERVICE COMMISSION ECONOMIC REGULATION 01 MAY -1 AM 11:28

RECEIVED JAN 16 2001 BAL DEP

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: Florida Water Services, Corp.

YEAR OF REPORT
DECEMBER 31, 2000

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

YES NO

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

YES NO

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

YES NO

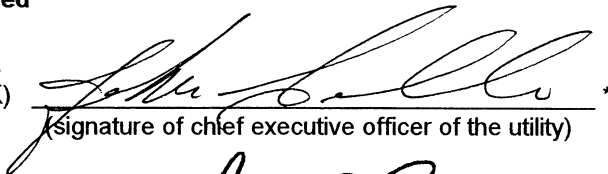
(X) () 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

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

Items Certified

1. 2. 3. 4.
(X) (X) (X) (X)

 *
(signature of chief executive officer of the utility)

1. 2. 3. 4.
(X) (X) (X) (X)

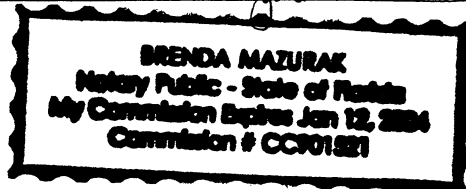
 *
(signature of chief financial officer of the utility)

* 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 are 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.

E-1

Notary Public: Brenda Mazurak 4-30-01



CLASS "A" OR "B"

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

ANNUAL REPORT

OF
SU733 49
Florida Water Services Corporation
P. O. Box 609520
Orlando, FL 32860-9520

0020

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 00

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JAN 16 2001
FAL DEP

**Annual Report of
Florida Water Services, Corp.**

**YEAR OF REPORT
DECEMBER 31, 2000**

County Orange

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

P.O. Box 609520
Orlando, Florida 32860-9520
Toll Free Telephone: 1-800-432-4501
Telephone : (407) 598-4100

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

Brian Bilinski
P.O. Box 609520
Orlando, Florida 32860-9520
Telephone : (407) 598-4129

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

SAME AS ABOVE

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

PRICE WATERHOUSE (ANNUAL AUDIT)
FPSC FIELD AUDITORS (RATE CASES)

Date of Original organization of the utility: 11/15/61

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

Individual
Partnership
Sub S Corporation
X 1120 Corporation

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

ALLETE Water Services, Inc. 100%

UTILITY NAME: Florida Water Services, Corp.

YEAR OF REPORT
DECEMBER 31, 2000

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (a)	TITLE OR POSITION (b)	ADDRESS (c)	USUAL PURPOSE FOR CONTACT WITH FPSC (d)
John Cirello	Chairman of the Board, President & CEO	Orlando	Corporate Policy and Operational Matters
Eric Teittinen	Senior Vice President - Operations and Engineering	Orlando	Engineering, Operations and Planning Related Matters
Forrest Ludsen	Senior Vice President - Rates and Regulatory Affairs	Orlando	Acquisitions, Rates and Regulatory Matters
James Perry	Senior Vice President - Finance,CFO and Treasurer	Orlando	Corporate Policy and Operational Matters: Accounting & Finance
Brian Bilinski	Controller	Orlando	Accounting and Budget
John Tillman	Senior Vice President - Marketing and Customer Service	Orlando	Developer Relations and Customer Service
Lester Abberger	Senior Vice President - Public Affairs	Tallahassee	Communications, Governmental Relations
Kenneth Hoffman	Outside Council	Rutledge, et al (904) 681-6788	Rate and Regulatory Matters

- (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.

TELEPHONE NUMBER FOR ALL INDIVIDUALS IS (407) 598-4100 OR 1-800-432-4501

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.

Florida Water Services Corporation (Florida Water) , formerly Southern States Utilities, Inc. is a Florida corporation with headquarters at 1000 Color Place, Apopka, FL. Florida Water was originally incorporated in 1961. In 1968, Florida Water was purchased by Universal Telephone, Inc. (UTI) as a 100% owned subsidiary. During 1984, UTI and its subsidiary, Florida Water, were acquired by ALLETE Water Services, Inc., (formerly MP Water Resource Group, Inc. and Topeka Group, Inc.) a wholly-owned subsidiary of ALLETE (formerly Minnesota Power). In 1989, ALLETE Water Services sold UTI and Florida Water began reporting directly to ALLETE Water Services Group. Also, in 1989, ALLETE Water Services purchased both Deltona Utilities and United Florida Utilities from Deltona Corp. In 1992, these utilities also merged into Florida Water. In 1991, Lehigh Utilities was acquired and merged into Florida Water during 1993. Florida Water purchased Orange Osceola Utilities from Real Estate Corporation of Florida, Inc. in 1995. In 1999, Florida Water purchased Palm Coast Utility Corporation as well as Tomoka Waterworks, Inc. In 2000, Florida Water purchased Del Webb's Spruce Creek Communities, Inc., Steeplechase Utility Company, Inc., and Tangerine Water Company., Inc. Florida Water provides regulated utility services primarily to residential communities through its network of plants and distribution facilities. Service areas are located throughout the State of Florida, but are primarily in the central, southwest and northeast regions of the state.

The Company's Mission Statement which drives its goals and objectives is as follows:

MISSION- We are committed to delivering water and wastewater services of exceptional value to customers and to providing a superior return on our shareholders' investments.

VALUES - We treat everyone with respect, fairness and trust; operate with honesty and integrity; and provide a safe and secure work environment. Employees are recognized for service to our customers, Company and communities.

VISION - We will be the preferred supplier of water and wastewater services; expanding our business through growth and acquisition. We will achieve industry leadership in customer service, product quality, environmental stewardship, safety and technical ability.

STRATEGY- We will focus on customer wants and needs and the requirements of our regulators. Through involvement we will encourage initiative, creativity and commitment to common goals; we will provide continuous learning and growth; and will create an environment in which employees are empowered to do their best.

Key result areas have been formed to concentrate on establishing action plans which will allow the utility to accomplish its Mission Statement.

The Company's operations are divided into three regions, managed by three senior operational managers who report directly to the Senior Executive Vice President of Operations and Engineering. In addition, five other Senior Vice Presidents have responsibility for the following administrative areas: Finance, Legal, Business Development, Regulatory Affairs, and Public Affairs. All Vice Presidents report to the President.

UTILITY NAME: Florida Water Services, Corp.

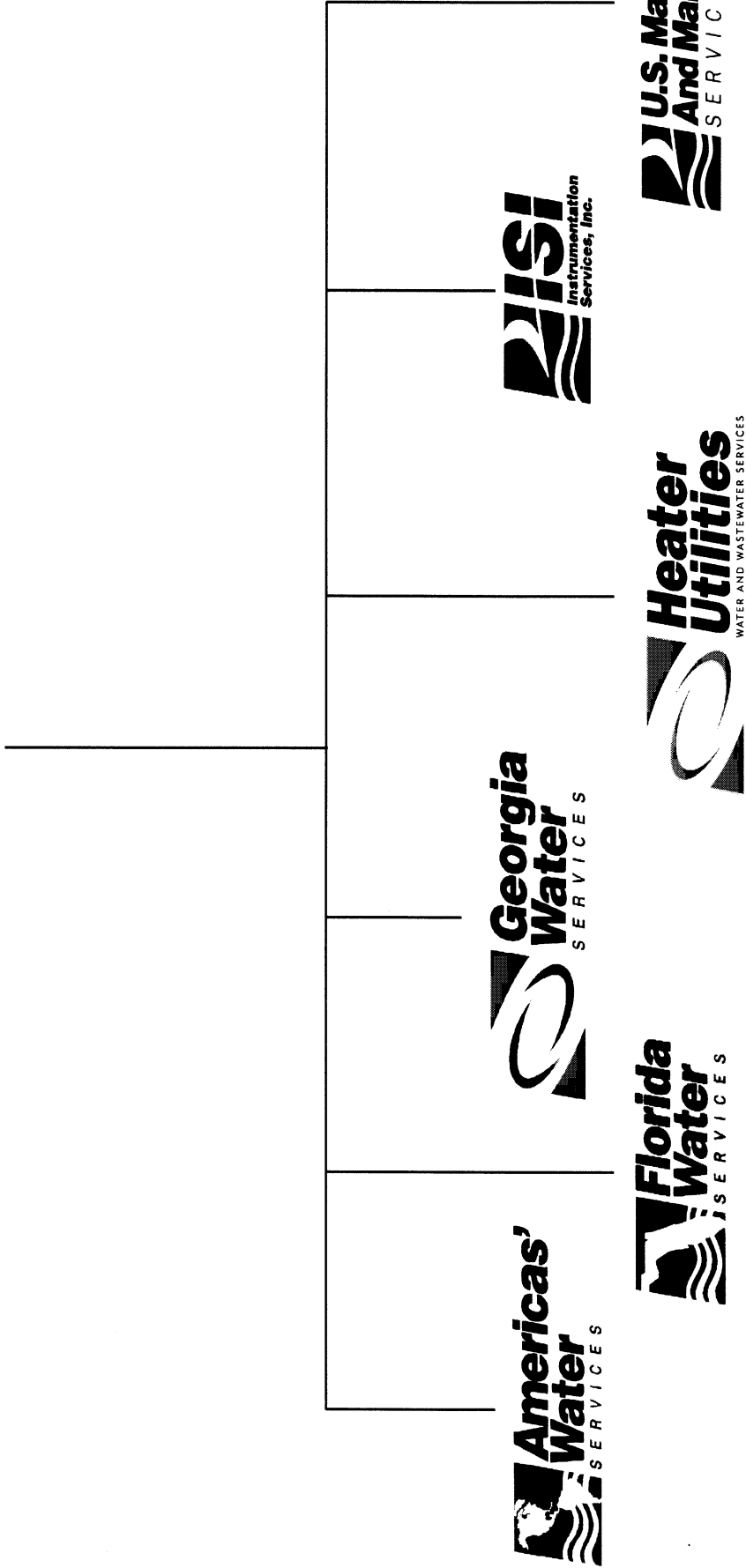
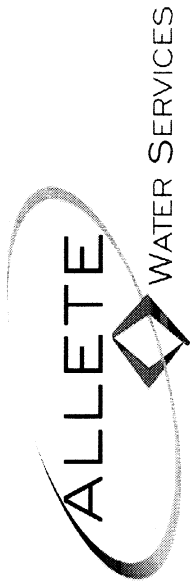
YEAR OF REPORT
DECEMBER 31, 2000

PARENT/AFFILIATE ORGANIZATION CHART

Current as of 12/31/00

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

Please See Attached



**YEAR OF REPORT
DECEMBER 31, 2000**

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 UTILITY (c)	OFFICERS COMPENSATION (d)
John Cirello	Chairman of the Board, President & CEO	90%	ALL
Eric Teittinen	Senior Vice President - Operations & Engineering	100%	COMPENSATION
James A. Perry	Senior Vice President - Finance and Administration, CFO, Registered Agent	90%	AVAILABLE
John L. Tillman, Jr.	Senior Executive Vice President - Business Developments	90%	ON REQUEST. CONFIDENTIALITY
Lester Abberger	Senior Vice President - Public Affairs	100%	IS
Forrest L. Ludsen	Senior Vice President - Rates and Regulatory Affairs	100%	REQUESTED
Frederick W. Leonhardt	Senior Vice President - Legal, Secretary, General Council	90%	
Jose N. Albors	Vice President - Health & Safety	90%	
Mercedes I. Guzman	Vice President - Human Resources	90%	
Rafael A. Terrero	Vice President - Environmental Compliance	100%	
Ida Roberts	Vice President - Communications	100%	
Ying C. Lee	Vice President - Engineering	100%	
Stephen D. Jenson	Treasurer	90%	
Brian S. Bilinski	Controller	100%	
Nancy E. Norris	Assistant Controller	100%	
Kirk D. Martin	Assistant Secretary	100%	

YEAR OF REPORT
DECEMBER 31, 2000

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)	DIRECTOR'S COMPENSATION (d)
John Cirello	Director	1	None
Eric Teittinen	Director	1	None
Forrest Ludsen	Director	1	None
David G. Gartzke	Director	1	None

**YEAR OF REPORT
DECEMBER 31, 2000**

BUSINESS CONTRACT 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)
Fred Leonhardt	Legal Services	Paid By ALLETE Water Service, Inc	Gray, Harris and Robinson 301 E. Pine St. Orlando, Florida 32801

* 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.

**YEAR OF REPORT
DECEMBER 31, 2000**

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliation and all affiliations or connections with any other business or financial organization, 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)
John Cirello	Florida Water Services	Chairman of the Board, President and CEO, Director	P.O. Box 609520 Orlando, FL 32860-9520
	ALLETE Water Services, Inc.	Chairman of the Board, CEO, President and Director	2180 W. SR 434 Longwood, FL 32779
	ALLETE Corp.	Executive Vice President - MP	30 West Superior St. Duluth, MN 55802
	Heater Utilities, Inc.	Chairman of the Board, Director	202 Mackenan St. Cary, NC 27519
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	CEO and Chairman, Director	2180 W. SR 434 Longwood, FL 32779
James A. Perry	Florida Water Services	Senior Vice President - Finance, Director	P.O. Box 609520 Orlando, FL 32860-9520
	ALLETE Water Services, Inc.	Senior Vice President - Finance, CFO	2180 W. SR 434 Longwood, FL 32779
	ISI, USM & MSG, Americas Water Services, and Florida Water Consumer Products	Senior Vice President - Finance, Director	2180 W. SR 434 Longwood, FL 32779
	Heater Utilities, Inc.	CFO and Director	202 Mackenan St. Cary, NC 27519

**YEAR OF REPORT
DECEMBER 31, 2000**

AFFILIATION OF OFFICERS AND DIRECTORS

Continued From E-8

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Frederick W. Leonhardt	Florida Water Services	Senior Vice President - Legal, General Council and Secretary and Registered Agent	P.O. Box 609520 Orlando, FL 32860-9520
	ALLETE Water Services, Inc.	General Council and Secretary	2180 W. SR 434 Longwood, FL 32779
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	Secretary and Registered Agent	2180 W. SR 434 Longwood, FL 32779
	Gray Harris and Robinson	Partner	Gray Harris and Robinson 301 E. Pine Street Orlando, Florida 32801
John Tillman, Jr.	Florida Water Services	Senior Vice President - Marketing and Customer Service	P.O. Box 609520 Orlando, FL 32860-9520
	ISI and USM & MSG	President and COO	2180 W. SR 434 Longwood, FL 32779
Jose N. Albors	Florida Water Services	Vice President - Health & Safety	P.O. Box 609520 Orlando, FL 32860-9520
	ALLETE Water Services, Inc.	Vice President - Health & Safety	2180 W. SR 434 Longwood, FL 32779
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	Vice President - Health & Safety	2180 W. SR 434 Longwood, FL 32779
Mercedes I. Guzman	Florida Water Services	Vice President - Human Resources	P.O. Box 609520 Orlando, FL 32860-9520
	ALLETE Water Services, Inc.	Vice President - Human Resources	2180 W. SR 434 Longwood, FL 32779
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	Vice President - Human Resources	2180 W. SR 434 Longwood, FL 32779

AFFILIATION OF OFFICERS AND DIRECTORS

Continued From E-8

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Stephen D. Jenson	Florida Water Services	Treasurer	P.O. Bdx 609520 Orlando, FI 32860-952
	ALLETE Water Services, Inc.	Treasurer	2180 W. SR 434 Longwood, FI 32779
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	Treasurer	2180 W. SR 434 Longwood, FI 32779
Kirk Martin	Florida Water Services	Assistant Secretary	P.O. Box 609520 Orlando, FI 32860-952
	ALLETE Water Services, Inc.	* Assistant Secretary	2180 W. SR 434 Longwood, FI 32779
	ISI, USM & MSG, Florida Gas, Americas Water Services, and Florida Water Consumer Products	* Assistant Secretary	2180 W. SR 434 Longwood, FI 32779

* Minimal amount of time spent

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one 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, asset, or service involved.

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

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

NAME OF COMPANY OR RELATED PARTY (c)	DESCRIPTION SERVICE AND/OR NAME NAME OF PRODUCT (b)	EFFECTIVE DATES (c)	ANNUAL CHARGES	
			PURCHASED OR SOLD (c)	AMOUNT (d)
USM & M	Repairing and servicing of equipment, materials and supplies furnished,	Continuous	Purchased	\$ 380,459
ALLETE Water Services Group	Payroll/Rental Income General Administrative	Continuous	Sold	\$ 51,028
ALLETE Water Services Group	Management, Audit, Tax	Continuous	Purchased	\$ 3,585,816
America's Water Services	General Administrative	Continuous	Sold	69,744
America's Water Services	Contract Operations	Continuous	Purchased	608,516

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.
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
 - writeoff of bad debts or loans
3. The columnar instructions follow:
 - (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item (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)
		\$		N/A	N/A

COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (e)	CURRENT YEAR (d)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 535,030,990	\$ 573,453,800
108-110	Less: Accumulated Depreciation and Amortization	F-8	(163,851,573)	(181,305,617)
Net Plant			\$ 371,179,417	\$ 392,148,184
114-115	Utility Plant Acquisition Adjustments (Net)	F-7	1,734,426	5,271,100
116*	Other Utility Plant Adj.		0	0
Total Net Utility Plant			\$ 372,913,843	\$ 397,419,284
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 322,435	\$ 321,815
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 322,435	\$ 321,815
123	Investment In Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	969,582	1,257,943
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 969,582	\$ 1,257,943
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 4,761,444	\$ 3,210,814
132	Special Deposits	F-9	1,707,596	4,494,320
133	Other Special Deposits	F-9	59,331	59,716
134	Working Funds		7,150	8,150
135	Temporary Cash Investments		7,552,104	0
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	9,434,496	8,693,710
145	Accounts Receivable from Associated Companies	F-12	0	0
146	Notes Receivable from Associated Companies	F-12	0	0
151-153	Material and Supplies		202,620	56,138
161	Stores Expense		0	0
162	Prepayments		111,545	77,133
171	Accrued Interest and Dividends Receivable		13,215	389,216
172*	Rents Receivable		0	0
173*	Accrued Utility Revenues		6,560,485	6,832,200
174	Misc. Current and Accrued Assets	F-12	182,706	14,761
Total Current and Accrued Assets			\$ 30,592,692	\$ 23,836,158

COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (e)	CURRENT YEAR (d)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 6,983,379	\$ 6,639,214
182	Extraordinary Property Losses	F-13	2,623,219	- 800,489
183	Preliminary Survey & Investigation Charges		1,854,112	1,791,592
184	Clearing Accounts		136	2,654
185*	Temporary Facilities		0	0
186	Misc. Deferred Debits	F-14	16,878,954	17,101,398
187*	Research & Development Expenditures		0	0
190	Accumulated Deferred Income Taxes		16,556,348	16,301,452
	Accrued Stand-by Fees		0	0
Total Deferred Debits			\$ 44,896,148	\$ 42,636,799
TOTAL ASSETS AND OTHER DEBITS			\$ 449,694,700	\$ 465,471,998

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (e)	CURRENT YEAR (d)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 107,500	\$ 107,500
204	Preferred Stock Issued	F-15	0	0
202,205*	Capital Stock Subscribed		0	0
203,206*	Capital Stock Liability for Conversion		0	0
207*	Premium on Capital Stock		0	0
209*	Reduction in Par or Stated Value of Capital Stock		0	0
210	Gain on Resale or Cancellation of Reacquired Capital Stock		0	0
211	Other Paid-In Capital		93,941,607	94,165,944
212	Discount on Capital Stock		0	0
213	Capital Stock Expense		0	0
214-215	Retained Earnings	F-16	11,074,557	6,805,452
216	Reacquired Capital Stock		0	0
218	Proprietary Capital (Proprietorship and Partnership Only)		0	0
	Total Equity Capital		\$ 105,123,664	\$ 101,078,896
LONG TERM DEBT				
221	Bonds	F-15	\$ 63,105,000	\$ 63,105,000
222*	Reacquired Bonds		0	0
223	Advances from Associated Companies	F-17	0	0
224	Other Long Term Debt	F-17	57,854,209	48,896,918
	Total Long Term Debt		\$ 120,959,209	\$ 112,001,918
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		\$ 3,143,651	\$ 6,067,748
232	Notes Payable	F-18	0	0
233	Accounts Payable to Associated Co.	F-18	(6,980,258)	(3,845,588)
234	Notes Payable to Associated Co.	F-18	0	0
235	Customer Deposits		2,554,584	2,704,933
236	Accrued Taxes		2,986,425	2,839,673
237	Accrued Interest	F-19	2,792,242	2,575,079
238	Accrued Dividends		0	0
239	Matured Long Term Debt		3,540,838	17,799,165
240	Matured Interest		0	0
241	Miscellaneous Current and Accrued Liabilities	F-20	6,426,292	5,526,794
	Total Current and Accrued Liabilities		\$ 14,463,774	\$ 33,667,804

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (e)	CURRENT YEAR (d)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-13	\$ 0	\$ 0
252	Advances for Construction	F-20	9,532,695	9,414,035
253	Other Deferred Credits	F-21	9,372,015	7,868,850
255	Accumulated Deferred Investment Tax Credits		1,462,452	1,136,310
Total Deferred Credits			\$ <u>20,367,162</u>	\$ <u>18,419,195</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ 0	\$ 0
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve		1,230,197	0
265	Miscellaneous Operating Reserves		0	0
Total Operating Reserves			\$ <u>1,230,197</u>	\$ <u>0</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions In Aid of Construction	F-22	\$ 226,995,587	\$ 247,831,182
272	Accumulated Amortization of Contributions In Aid of Construction	F-22	(67,519,735)	(76,067,555)
Total Net C.I.A.C.			\$ <u>159,475,852</u>	\$ <u>171,763,627</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 0	\$ 0
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		1,032,391	1,111,971
283	Accumulated Deferred Income Taxes - Other		27,042,451	27,428,578
Total Accum. Deferred Income Taxes			\$ <u>28,074,842</u>	\$ <u>28,540,549</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>449,694,700</u>	\$ <u>465,471,988</u>

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 88,840,300	\$ 94,367,793
469,530	Less: Guaranteed Revenue and AFPI	F-3(b)	<u>1,266,101</u>	<u>1,732,141</u>
Net Operating Revenue			\$ <u>87,574,199</u>	\$ <u>92,635,652</u>
401	Operating Expenses	F-3(b)	\$ 42,134,424	\$ 44,252,605
403	Depreciation Expense	F-3(b)	\$ 17,667,329	\$ 18,851,458
	Less: Amortization Of CIAC	W/S - 8a	<u>6,660,969</u>	<u>8,168,613</u>
Net Depreciation Expense			\$ <u>11,006,360</u>	\$ <u>10,682,845</u>
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	13,112	66,837
407	Amortization Expense (Other than CIAC)	F-3(b)	217,382	235,619
408	Taxes Other Than Income	W/S-3	9,011,751	9,237,216
409	Current Income Taxes	W/S-3	4,105,717	7,474,618
410.10	Deferred Federal Income Taxes	W/S-3	2,171,642	458,733
410.11	Deferred State Income Taxes	W/S-3	0	0
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		0
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
			(69,328)	(325,659)
Utility Operating Expenses			\$ <u>68,591,060</u>	\$ <u>72,082,814</u>
Utility Operating Income			\$ <u>18,983,139</u>	\$ <u>20,552,838</u>
469,530	Add Back:			
	Guaranteed Revenue and AFPI	F-3(b)	1,266,101	1,732,141
413	Income From Utility Plant Leased to Others		0	0
414	Gains (Losses) From Disposition of Utility Property		433,457	(7,687)
420	Allowances for Funds Used During Construction		729,854	832,515
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ <u><u>21,412,551</u></u>	\$ <u><u>23,109,806</u></u>

COMPARATIVE OPERATING STATEMENT (CONT'D)

ACCT. NO. (a)	WATER SCHEDULE W-3* (f)	WASTEWATER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
400	\$ 26,878,538	\$ 21,008,430	\$ 46,480,824
469,530	679,385	477,321	575,434
	\$ 26,199,153	\$ 20,531,109	\$ 45,905,390
401	\$ 13,087,831	\$ 10,365,318	\$ 20,799,456
403	\$ 3,859,331	\$ 4,212,417	\$ 10,779,710
	1,392,701	1,628,390	5,147,522
	\$ 2,466,630	\$ 2,584,027	\$ 5,632,188
406	(1,190)	(10,899)	78,926
407	0	0	235,619
408	2,820,336	2,398,079	4,018,800
409	2,267,027	1,534,102	3,673,489
410.10	155,335	181,918	121,481
410.11	0	0	0
411.10	0	0	0
412.10	0	0	0
412.11			
	(72,942)	(68,098)	(184,620)
	\$ 20,723,026	\$ 16,984,448	\$ 34,375,340
	\$ 5,476,127	\$ 3,546,661	\$ 11,530,050
469,530	679,385	477,321	575,434
413	0	0	0
414	0	0	(7,687)
420	130,063	163,331	539,121
	\$ 6,285,575	\$ 4,187,313	\$ 12,636,919

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [From Page F-3 (a)]			\$ <u>21,412,551</u>	\$ <u>23,109,806</u>
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions		\$ 7,385	\$ 8,732
416	Costs and Expenses of Merchandising, Jobbing and Contract Work		0	0
419	Interest and Dividend Income		1,438,826	1,058,131
421	Nonutility Income		342,704	158,527
426	Miscellaneous Nonutility Expenses		(2,515,777)	(2,597,722)
Total Other Income and Deductions			\$ <u>(726,862)</u>	\$ <u>(1,372,332)</u>
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$ 0	\$ 0
409.20	Income Taxes		434,867	344,192
410.20	Provision for Deferred Income Taxes		0	72,105
411.20	Provision for Deferred Income Taxes - Credit		0	0
412.20	Investment Tax Credits - Net		0	0
412.30	Investment Tax Credits Restored to Operating Income		0	0
Total Taxes Applicable To Other Income			\$ <u>434,867</u>	\$ <u>416,297</u>
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 9,033,829	\$ 9,079,700
428	Amortization of Debt Discount & Expense	F-13	399,790	384,495
429	Amortization of Premium on Debt	F-13	0	0
Total Interest Expense			\$ <u>9,433,619</u>	\$ <u>9,464,195</u>
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ 0	\$ 0
434	Extraordinary Deductions		0	0
409.30	Income Taxes, Extraordinary Items		0	0
Total Extraordinary Items			\$ <u>0</u>	\$ <u>0</u>
NET INCOME			\$ <u>10,817,203</u>	\$ <u>11,856,982</u>

SCHEDULE OF YEAR END RATE BASE

ACCT NO. (a)	ACCOUNT NAME (B)	REF PAGE (c)	WATER UTILITY	WASTEWATER UTILITY	OTHER THAN REPORTING SYSTEMS
101	Utility Plant in Service	F-7	122,537,525	116,346,155	317,788,247
	Less:				
108	Nonused and Useful Plant (1)	F-8	5,123,273	1,236,797	(2,020,757)
110	Accumulated Depreciation	F-8	33,353,052	41,225,252	106,727,313
271	Accumulated Amortization	F-8	0	0	0
252	Contributions in Aid of Construction	F-22	45,599,009	51,106,289	151,125,884
	Advances for Construction	F-20	4,336,177	1,000,276	4,077,582
Subtotal			\$34,126,015	\$21,777,541	\$57,878,225
272	Add:				
	Accumulated Amortization of Contributions in Aid of Construction	F-22	11,554,626	16,237,706	48,275,223
Subtotal			\$45,680,641	\$38,015,247	\$106,153,448
114	Plus or Minus:	F-7	(47,602)	(435,960)	(6,295)
115	Acquisition Adjustment	F-7	27,158	241,761	5,860
	Accumulated Amortization of Acquisition Adjustment	F-7	2,614,184	2,091,937	4,382,004
	Working Capital Allowance				
	Other (Specify):				
	Deferred Taxes		(1,750,813)	(1,990,811)	(1,608,771)
	Regulatory Asset		2,417,909	4,230,922	1,660,584
	Investment CIAC		461,062	347,819	0
RATE BASE			\$49,402,539	\$42,500,915	\$110,586,830
NET UTILITY OPERATING INCOME			\$5,476,127	\$3,546,661	\$10,844,710
ACHIEVED RATE OF RETURN (Operating Income/Rate Base)			11.08%	8.34%	9.81%

NOTES:

- (1) Estimated if not known
- (2) Include only those Acquisitions 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: FLORIDA WATER SERVICES, CORP.

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (2) (d)	WEIGHTED COST [c * d] (e)
Common Equity	101,078,895	43.06 %	11.88 %	5.12 %
Preferred Stock	0	0.00 %	0.00 %	0.00 %
Long Term Debt	129,801,082	55.30 %	8.35 %	4.62 %
Customer Deposits	2,704,933	1.15 %	6.00 %	0.07 %
Tax Credits - Zero Cost	0	0.00 %	0.00 %	0.00 %
Tax credits - Weighted Cost	1,136,312	0.48 %	9.20 %	0.04 %
Deferred Income Taxes	0	0.00 %	0.00 %	0.00 %
Other (Explain)	0	0.00 %	0.00 %	0.00 %
Total	\$ <u>234,721,222</u>	<u>100.00</u> %		<u>9.85</u> %

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

(2) Mid - point of the last Authorized Return on Equity or current leverage formula if non 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>11.88</u> %
Commission order approving Return on Equity	<u>PSC-96-1320-FOF-WS</u>

APPROVED AFUDC RATE

Current Commission Return on Equity	<u>0.835516</u> %
Commission order approving Return on Equity	<u>PSC-96-1320-FOF-WS</u>

If any utility capitalized and 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: FLORIDA WATER SERVICES, CORP.

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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	101,078,895					101,078,895
Preferred Stock	0					0
Long Term Debt	129,801,082					129,801,082
Customer Deposits	2,704,933					2,704,933
Tax Credits - Zero Cost	0					0
Tax credits - Weighted Cost	1,136,312					1,136,312
Deferred Income Taxes	0					0
Other (Explain)	0					0
Total	\$ 234,721,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,721,222

(1) Explain all adjustments made in Column (e) and (f).

UTILITY PLANT
ACCOUNT 101 - 106

ACCT (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	PLANT ACCOUNTS:				
101	Utility Plant in Service	\$122,537,525	\$116,346,155	\$317,788,247	\$556,671,927
102	Utility Plant Leased to Others				0
103	Property Held for Future Use	487,191	106,286	278,855	872,331
104	Utility Plant Purchased or Sold				0
105	Construction Work in Progress	4,191,043	3,576,267	8,142,232	15,909,542
106	Completed Construction Not Classified				0
	Total Utility Plant	\$127,215,759	\$120,028,708	\$326,209,334	\$573,453,800

UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNT 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				
	Amelia Island #11231	(79,861)	(374,942)		(454,803)
	Palm Port #16340	(30,746)	(65,065)		(95,811)
	Chuluota #10859	23,325			23,325
	Druid Hill #10859	26,000			26,000
	Dol Ray Manor #10859	12,875			12,875
	Picciola Island #10859	9,400			9,400
	Venetian Village #12207	17,500	17,500		35,000
	Western Shores #12207	(26,095)			(26,095)
	Park Manor #16340		(13,453)		(13,453)
	Various Unapproved	5,207,015	71,674	295,374	5,574,062
	Total Plant Acquisition Adjustments	5,159,413	(364,286)	295,374	5,090,500
115	Accumulated Amortization				
	Amelia Island #11231	44,098	207,034		251,132
	Palm Port #16340	17,721	36,874		54,595
	Chuluota #10859	(14,881)			(14,881)
	Druid Hill #10859	(16,573)			(16,573)
	Dol Ray Manor #10859	(8,164)			(8,164)
	Picciola Island #10859	(5,532)			(5,532)
	Venetian Village #12207	(9,059)	(9,891)		(18,949)
	Western Shores #12207	19,548			19,548
	Park Manor #16340		7,743		7,743
	Various Unapproved	(461,972)	130,733	242,920	(88,320)
	Total Accumulated Amortization	(434,815)	\$372,494	\$242,920	\$180,599
	Net Acquisition Adjustments	\$4,724,598	8,209	538,294	5,271,100

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 29,805,416	\$ 37,374,249	\$ 96,671,908	\$ 163,851,573
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	\$ 3,859,330	\$ 4,212,417	\$ 10,781,539	\$ 18,853,285
to Account 108.2 (2)				0
to Account 108.3 (3)				0
Other Accounts (specify):				0
Salvage	10,057	4,983	31,371	46,411
Other credits (specify)	4,570,137	2,493,162	6,127,318	13,190,616
General Allocations and other				
Total Credits	\$ 8,439,524	\$ 6,710,562	\$ 16,940,227	\$ 32,090,313
Debits during year:				
Book cost of plant retired	\$ 873,384	\$ 542,852	\$ 2,095,297	\$ 3,511,533
Cost of removal and Other debits (specify)	4,018,504	2,316,707	4,789,525	11,124,736
General Allocations and other				0
Total Debits	\$ 4,891,888	\$ 2,859,559	\$ 6,884,822	\$ 14,636,269
Balance end of year	\$ <u>33,353,052</u>	\$ <u>41,225,252</u>	\$ <u>106,727,313</u>	\$ <u>181,305,617</u>
ACCUMULATED AMORTIZATION Account 110				
Balance first of year				
Credits during year:				
Accruals charged:				
to Account 110.2 (2)	\$ 0	\$ 0	\$ 0	\$ 0
Other Credits (Specify)	0	0	0	0
Total Credits	\$ 0	\$ 0	\$ 0	\$ 0
Debits during year:				
Book cost of plant retired	\$ 0	\$ 0	\$ 0	\$ 0
Other debits (specify)	0	0	0	0
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

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

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT NO. 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT, (d)	AMOUNT (e)
1996 Palm Coast Rate Case	26,475		666/766	41,245
Hillsborough County	5,524		666/766	8,552
Hernando County	41,245		666/766	30,000
950495 - Consolidated Rate Case	301,493		666/766	561,394
930880 - Uniform Rates Hearing	-		666/766	41,222
920199 - Giga Rate Case	22,178		666/766	147,036
Total	\$396,915	\$0	\$0	\$829,449

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)
Land	\$322,435	\$117,377	\$117,997	\$321,815
Total Nonutility Property	\$322,435	\$117,377	\$117,997	\$321,815

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):	
Deltona Lakes Utility Service Fee	859,246
Escrow Deposit	2,773,025
C/D in Leiu of Deposit	7,595
Orange County Agreement	854,454
Total Special Deposits	\$4,494,320
OTHER SPECIAL DEPOSITS (Account 133):	
Utility Deposits	51,645
Other Special Deposits	8,071
Total Other Special Deposits	\$59,716

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

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

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123):	\$	\$
Total Investment In Associated Companies		\$ <u>0</u>
UTILITY INVESTMENTS (ACCT. 124):	\$	\$
Total Utility Investments		\$ <u>0</u>
OTHER INVESTMENTS (ACCT. 125): Co Bank	\$	\$ 1,257,943
Total Other Investments		\$ <u>1,257,943</u>
SPECIAL FUNDS (ACCTS. 126 & 127):		\$ 0
Total Special Funds		\$ <u>0</u>

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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 Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNT RECEIVABLE (Account 141):		
Water	\$ 0	
Sewer	0	
Other (includes water, and wastewater)	5,197,485	
Total Customer Accounts Receivable		\$ 5,197,485
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Various Receivables	\$ 19,528	
Developer Recievables	1,518,233	
Zenon	172,193	
Payroll Related	98,947	
Total Other Accounts Receivable		\$ 1,808,901
NOTES RECEIVABLE (Acct. 144):		
Hideaway Beach	\$ 723,950	
Harbor Branch	482,923	
Marco Reuse Line Notes	855,776	
Total Notes Receivable		2,062,648
Total Accounts and Notes Receivable		\$ <u>9,069,035</u>
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143):		
Balance first of year	\$ (643,349)	
Add: Provision for uncollectibles for current year	\$ (409,394)	
Collections of accounts previously written off	10,715	
Utility accounts	0	
Spruce Creek Acquistion	(9,363)	
Total Additions		\$ (408,042)
Deduct accounts written off during year:		
Utility Accounts	\$ 676,067	
Others		
Total accounts written off		\$ 676,067
Balance end of year		\$ <u>(375,325)</u>
Total Accounts and Notes Receivable - Net		\$ <u><u>8,693,710</u></u>

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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145**

'Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ 0
Total	\$ <u>0</u>

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146**

'Report each account receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None	%	\$ 0
Total		\$ <u>0</u>

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174**

DESCRIPTION (a)	TOTAL (b)
Possible Acquisitions	14,761
Total miscellaneous Current and Accrued Liabilities	\$ <u>14,761</u>

**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 (Acct. 181):		
\$28 MM First Mortgage Bond	\$ 54,433	\$ 893,600
1995 \$35.01 Million DRB Series	79,458	2,009,023
1996 Collier Bonds Discount	51,833	1,298,478
Cobank \$45 Million	180,279	2,421,317
Other Miscellaneous Debt Expense and Reclasses	18,493	16,797
Total Unamortized Debt Discount and Expense	\$ <u>384,495</u>	\$ <u>6,639,214</u>
UNAMORTIZED PREMIUM ON DEBT (Acct. 251):		
Total Unamortized Premium on Debt	\$ <u>0</u>	\$ <u>0</u>

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
Extraordinary Abandonment	\$ 800,489
Total Extraordinary Property Losses	\$ <u>800,489</u>

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MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
1995 Consolidate Rate Case	561,394	512,950
1997 Hernando County	30,000	98,500
1997 Hillsborough County	43,875	97,537
Giga Rate Case	147,036	119,878
Palm Coast	61,051	9,257
Uniform Rate Hearing	41,222	83,300
Sale of Orange County	0	60,768
Tropical Isle Rate Structure Investigation	88	0
Total Deferred Rate Case Expense	\$884,665	\$982,190
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2)		
Other Deferred Debits - GDU	-	1,353,105
OAP's	184,451	4,562,757
Total Other Deferred Debits	\$184,451	\$5,915,862
REGULATORY ASSETS (Class A Utilities: Account 186.3)		
Regulatory Tax Asset - FAS 109		\$1,864,118
Surcharge		8,339,228
Total Regulatory Assets	\$0	\$10,203,346
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$1,069,116	\$17,101,398

CAPITAL STOCK (ACCTS. 201 & 204)

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share		250
Shares authorized		500
Shares issued and outstanding		430
Total par value of stock issued		107,500
Dividends declared per share for year		
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		

BONDS (ACCT. 221)

(DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
\$28MM First Mortgage Bonds	8.01	% Semi-annual	\$ 28,000,000
1996 Collier County IRB 1/96 - 1/26	6.5	% Semi-annual	\$ 35,105,000
<hr/>			
Total			<u>\$ 63,105,000</u>

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock.
Show amounts of dividends per share.
- Show separately the state and federal income tax effect of items shown in account 439.

ACCT. NO. (a)	DESCRIPTION (a)	TOTAL (b)
215	Unappropriated Retained Earnings: Balance beginning of year Affiliate Assimilation	\$ 11,074,557 873,913
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use) Credits:	
	Total Credits	\$ 0
	Debits:	0
	Total Debits	\$ 0
435	Balance Transferred from Income	11,856,982
436	Appropriations of Retained Earnings:	0
	Total Appropriations of Retained Earnings:	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared	0
438	Common Stock Dividends Declared	(17,000,000)
	Total Dividends Declared:	\$ (17,000,000)
215	Year end Balance	\$ 6,805,452
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	0
214	Total Appropriations of Retained Earnings:	\$ 0
	Total Retained earnings	\$ <u>6,805,452</u>
Notes to Statement of Retained Earnings:		

UTILITY NAME: FLORIDA WATER SERVICES, CORP.

YEAR OF REPORT
DECEMBER 31, 2000

NOTES PAYABLE (ACCTS. 232 & 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
	RATE (d)	FREQUENCY OF PAYMENT (e)	
NOTES PAYABLE (Account 232):	%		\$
	%		\$
	%		\$
	%		\$
	%		\$
Total Account 232			<u>0</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):	%		\$
	%		\$
	%		\$
	%		\$
	%		\$
Total Account 234			<u>0</u>

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

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Americas Water Services	\$ 6,164
Lehigh Corp.	(1,700,084)
ALLETE Water Services, Inc.	(2,302,166)
US M & M	151,305
Florida Gas Services	(808)
Total	\$ <u>(3,845,588)</u>

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					
Accrued Interest on Long Term Debt	2,710,830	427	8,921,636	9,139,776	\$2,492,690
Total Account 237.1	\$2,710,830		\$8,921,636	\$9,139,776	\$2,492,690
ACCOUNT NO.237.2- Accrued Interest on Other Liabilities					
Customer Deposits	\$81,413	427	\$158,064	\$157,088	\$82,389
Miscellaneous	0	427	0	0	
Total Account 237.2	\$81,413		\$158,064	\$157,088	\$82,389
Total Account 237 (1)	\$2,792,243		\$9,079,700	\$9,296,864	\$2,575,079
INTEREST EXPENSED:					
Total Accrual Account 237		237			
Less Capitalized Interest Portion Of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$9,079,700		

(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: FLORIDA WATER SERVICES, CORP.

YEAR OF REPORT
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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Miscellaneous Fees	97,105
Possible Refund	2,000,000
Accrue Expense Related to Land Sale	384,966
Accrued Audit Fees	137,755
Accrued Payroll and Related Items	2,849,380
Workers Comp Settlement	157,587
Emergency Equipment for Flagler County	100,000
Total Miscellaneous Current and Accrued Liabilities	\$5,526,794

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (b)
		ACCT. DEBIT (c)	AMOUNT (d)		
Lehigh Development Corp.	997,804	131	562,414	15,253	450,643
Lehigh Escrow	2,214,616	131	86,513	-	2,128,103
Lehigh Partnership	296,565	131	35,798	-	260,767
Palm Coast	767,951	131	-	52,138	820,089
Timberwalk Development	90,133	131	24,036	-	66,097
Topeka Group	5,165,626	131	109,182	631,891	5,688,336
Total	\$9,532,695		\$817,942	\$699,282	\$9,414,035

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

UTILITY NAME: FLORIDA WATER SERVICES, CORP.

YEAR OF REPORT
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OTHER DEFERRED CREDITS
ACCOUNT 253

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1) Regulatory Tax Liability - FAS 109	\$31,203	\$1,113,229
Total Regulatory Liabilities	\$31,203	\$1,113,229
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
Deferred Customer Credit	-	\$1,700,000
Deferred OPEB Costs	-	75,000
Deferred Interest	-	153,922
Deferred Lease Income	10,000	27,500
Deltona Land	-	1,113,677
ITT New Connections - Palm Coast	-	2,885,522
Orange County Escrow	-	800,000
	-	
Total Other Deferred Liabilities	\$10,000	\$6,755,621
TOTAL OTHER DEFERRED CREDITS	\$41,203	\$7,868,850

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

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. (b)	AMOUNT (c)
Net income for the year	F-3	\$ <u>11,856,982</u>
Reconciling items for the year:		
Taxable income not reported on books:		
CIAC		1,430,098
CIAC Grossup		(9,767)
Income Taxes		8,026,822
Deductions recorded on books not deducted for return:		
Meals and Entertainment		30,381
Lobbying Expenses		458,591
Penalties		213,362
Rate Case Expense		426,895
Allowance for Doubtful Accounts		(277,388)
Debt Unamortized Cost Writeoff		149,911
Capitalized Interest		500,000
Income recorded on books not included in return:		
AFUDC - Equity		(498,928)
AFUDC - Debt		(333,587)
Deduction on return not charged against book income:		
Tax > Book Depreciation		(3,300,000)
Total Adjustments		<u>6,816,390</u>
State Taxable Income		18,673,372
State Tax @5.5%		<u>1,027,035</u>
Federal tax net income		17,646,337
Computation of tax:		35.00%
Calculated Federal Tax		<u>6,176,218</u>
1996 Amended Return		(146,669)
Adjustment to 1999 Provision		675,587
CURRENT FEDERAL TAXES		<u>6,705,136</u>