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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS249-05-AR
Vincent Formosa
Useppa Island Utility, Inc.
P. O. Box 640
Bokeelia, FL 33922-0640

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

RECEIVED
PUBLIC SERVICE
COMMISSION
DIVISION OF
ECONOMIC REGULATION
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TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Comparative Balance Sheet	F-4
Gross Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Tax Expense	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Service Connections, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Master Lift Station Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

USEPPA UTILITY, INC.

(EXACT NAME OF UTILITY)

P.O. Box 640 Mailing Address BOKEELIA, FL 33922 Street Address LEE County

Telephone Number 239/283-1061 Date Utility First Organized 1981

Fax Number 239/283-4535 E-mail Address LOUANNCHRISTENSEN@USEPPA.COM

Sunshine State One-Call of Florida, Inc. Member No. _____

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

- Individual
- Sub Chapter S Corporation
- 1120 Corporation
- Partnership

Name, Address and Phone where records are located: ACCOUNTING OFFICE ON USEPPA ISLAND

Name of subdivisions where services are provided: USEPPA ISLAND

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: VINCENT FORMOSA	VICE PRESIDENT	P.O. Box 640 BOKEELIA, FL 33922	
Person who prepared this report: LOUANN CHRISTENSEN ERIC GLIDDEN	ACCOUNTING MGR UTILITY MGR.	P.O. Box 640 BOKEELIA, FL 33922	
Officers and Managers: GARFIELD R. BECKSTEAD	PRESIDENT	P.O. Box 640 BOKEELIA, FL 33922	\$ -0-
TIMOTHY FITZSIMMONS	CEO	P.O. Box 640 BOKEELIA, FL 33922	\$ -0-

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
USEPPA INN AND DOCK CO., LTD.	100%	P.O. Box 640 BOKEELIA, FL 33922	\$ -0-
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2005

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 163,034	\$ 87,006	\$ _____	\$ 250,040
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		_____	_____	_____	_____
Total Gross Revenue -----		\$ 163,034	\$ 87,006	\$ _____	\$ 250,040
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 126,477	\$ 120,654	\$ _____	\$ 247,131
Depreciation Expense -----	F-5	11963	10,517	_____	22,480
CIAC Amortization Expense -----	F-8	<9,037>	<8,998>	_____	<18,035>
Taxes Other Than Income -----	F-7	11,239	7,808	_____	19,037
Income Taxes -----	F-7	-	-	_____	-
Total Operating Expense -----		\$ 140,632	129,981	_____	\$ 270,613
Net Operating Income (Loss)		\$ 22,402	\$ <42,975>	\$ _____	\$ <20,573>
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		18,906	22,973	_____	41,879
Net Income (Loss)		\$ 3,496	<65,948>	\$ _____	<62,453>

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>1,044,709</u>	\$ <u>1,026,327</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>515,778</u>	<u>493,298</u>
Net Utility Plant _____		\$ <u>528,931</u>	\$ <u>533,029</u>
Cash _____		<u><124></u>	<u><562></u>
Customer Accounts Receivable (141) _____		<u>271,898</u>	<u>284,250</u>
Other Assets (Specify): _____		<u>6,627</u>	<u>6,627</u>
_____		<u>400</u>	<u>400</u>

Total Assets _____		\$ <u>807,732</u>	\$ <u>823,743</u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>1,000</u>	<u>1,000</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		<u>149,000</u>	<u>149,000</u>
Retained Earnings (215) _____	F-6	<u><311,135></u>	<u><248,682></u>
Proprietary Capital (Proprietary and Partnership only) (218) _____	F-6		
Total Capital _____		\$ <u><161,135></u>	\$ <u><98,682></u>
Long Term Debt (224) _____	F-6	\$ <u>790,640</u>	\$ <u>712,488</u>
Accounts Payable (231) _____		<u>84,518</u>	<u>98,192</u>
Notes Payable (232) _____			
Customer Deposits (235) _____			
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			

Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>93,709</u>	<u>111,745</u>
Total Liabilities and Capital _____		\$ <u>807,732</u>	\$ <u>823,743</u>

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>578,722</u>	\$ <u>465,987</u>	\$ _____	\$ <u>1,044,709</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>578,722</u>	\$ <u>465,987</u>	\$ _____	\$ <u>1,044,709</u>

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year <u>2005</u>	\$ <u>245,913</u>	\$ <u>247,385</u>	\$ _____	\$ <u>493,299</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>11,963</u>	\$ <u>10,517</u>	\$ _____	\$ <u>22,480</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ _____	\$ _____	\$ _____
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>257,876</u>	\$ <u>257,902</u>	\$ _____	\$ <u>515,778</u>

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2005

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1,000	_____
Shares authorized _____	_____	_____
Shares issued and outstanding _____	_____	_____
Total par value of stock issued _____	_____	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	<248,682>	\$ _____
Changes during the year (Specify): _____ _____	<62,454>	_____
Balance end of year _____	<311,135>	\$ _____

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify): _____ _____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
WACHOVIA WATER PLANT	9	1	\$ 79,768
USEPPA	10		660,093
WACHOVIA WASTE WATER PLANT	8	12	50,780
Total _____			\$ 790,641

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>225,670</u>	\$ <u>230,187</u>	\$ <u>455,857</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	_____	_____
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>225,670</u>	<u>230,187</u>	<u>455,857</u>
6) Less Accumulated Amortization _____	<u>151,531</u>	<u>210,616</u>	<u>362,147</u>
7) Net CIAC _____	\$ <u>74,139</u>	\$ <u>19,571</u>	\$ <u>93,710</u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>142,494</u>	\$ <u>201,618</u>	\$ <u>344,112</u>
Add Debits During Year: _____	<u>9,037</u>	<u>8,998</u>	<u>18,035</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>151,531</u>	\$ <u>210,616</u>	\$ <u>362,147</u>

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

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SCHEDULE "A"

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

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

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

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order Number approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

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	<u>10,463</u>	_____	_____	<u>10,463</u>
304	Structures and Improvements	<u>32,516</u>	_____	_____	<u>32,516</u>
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____
307	Wells and Springs	<u>51,199</u>	_____	_____	<u>51,199</u>
308	Infiltration Galleries and Tunnels	_____	_____	_____	_____
309	Supply Mains	_____	_____	_____	_____
310	Power Generation Equipment	<u>172,535</u>	_____	_____	<u>172,535</u>
311	Pumping Equipment	<u>29,305</u>	<u>4,492</u>	_____	<u>33,797</u>
320	Water Treatment Equipment	<u>174,356</u>	<u>7,540</u>	_____	<u>181,896</u>
330	Distribution Reservoirs and Standpipes	<u>6,611</u>	_____	_____	<u>6,611</u>
331	Transmission and Distribution Lines	<u>63,708</u>	_____	_____	<u>63,708</u>
333	Services	<u>3,020</u>	_____	_____	<u>3,020</u>
334	Meters and Meter Installations	<u>18,006</u>	_____	_____	<u>18,006</u>
335	Hydrants	_____	_____	_____	_____
336	Backflow Prevention Devices	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment	<u>1,873</u>	<u>224</u>	_____	<u>2,097</u>
340	Office Furniture and Equipment	_____	_____	_____	_____
341	Transportation Equipment	<u>800</u>	_____	_____	<u>800</u>
342	Stores Equipment	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment	<u>1,142</u>	_____	_____	<u>1,142</u>
344	Laboratory Equipment	<u>975</u>	_____	_____	<u>975</u>
345	Power Operated Equipment	_____	_____	_____	_____
346	Communication Equipment	_____	_____	_____	_____
347	Miscellaneous Equipment	_____	_____	_____	_____
348	Other Tangible Plant	_____	_____	_____	_____
	Total Water Plant	\$ <u>566,510</u>	\$ <u>12,256</u>	\$ _____	\$ <u>578,765</u>

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2005

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f+g+h=i) (i)
304	Structures and Improvements		%		\$ 29,543		984	\$ 30,527
305	Collecting and Impounding							
306	Reservoirs		%					
307	Lake, River and Other Intakes		%					
308	Wells and Springs		%		33,365		1,149	34,514
	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%		5,669		298	5,967
311	Pumping Equipment		%		16,768		1,309	18,077
320	Water Treatment Equipment		%		94,420		5,697	100,117
330	Distribution Reservoirs & Standpipes		%		4,469		127	4,596
331	Trans. & Dist. Mains		%		37,911		947	38,858
333	Services		%		2,110		57	2,167
334	Meter & Meter Installations		%		19,999		1,052	21,051
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment		%		239		11	250
340	Office Furniture and Equipment		%					
341	Transportation Equipment		%		1230		167	1,397
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%		184		163	347
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Totals				\$ 245,913	\$	\$ 119,633	\$ 257,874

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 61,176
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	10,649
610	Purchased Water	
615	Purchased Power	24,870
616	Fuel for Power Production	
618	Chemicals	4,682
620	Materials and Supplies	4,855
630	Contractual Services:	
	Billing	
	Professional	3,013
	Testing	2,820
	Other	812
640	Rents	7,800
650	Transportation Expense	2,282
655	Insurance Expense	1,203
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	2,315
	Total Water Operation And Maintenance Expense	\$ 126,477
	* This amount should tie to Sheet F-3.	

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	0	0	
3/4"	D	1.5	134	134	201
1"	D	2.5	8	8	20
1 1/2"	D,T	5.0	0	0	
General Service					
5/8"	D	1.0	0	0	
3/4"	D	1.5	5	5	7.5
1"	D	2.5	1	1	2.5
1 1/2"	D,T	5.0	0	0	
2"	D,C,T	8.0	3	3	24
3"	D	15.0	0	0	
3"	C	16.0	0	0	
3"	T	17.5	0	0	
Unmetered Customers			0	0	
Other (Specify)			0	0	
Total			<u>151</u>	<u>151</u>	<u>255</u>

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME:

USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME:

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January		959	6	953	893
February		1118	25	1093	1141
March		1227	40	1187	1109
April		1205	3	1202	1112
May		1302	11	1291	1156
June		822	4	818	959
July		932	13	919	730
August		1059	4	1055	956
September		1258	7	1251	1344
October		894	2	892	768
November		1151	2	1149	1072
December		1210	2	1208	1216
Total for Year		13137	119	13018	12456

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2	5650			5650
PVC	3	1785			1785
PVC	4	8955			8955

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1989</u>	<u>2002</u>	_____	_____
Types of Well Construction and Casing _____	<u>PVC ARTESIAN</u>	<u>PVC ARTESIAN</u>	_____	_____
Depth of Wells _____	<u>280</u>	<u>280</u>	_____	_____
Diameters of Wells _____	<u>6"</u>	<u>6"</u>	_____	_____
Pump - GPM _____	<u>95</u>	<u>95</u>	_____	_____
Motor - HP _____	<u>7 1/2</u>	<u>7 1/2</u>	_____	_____
Motor Type * _____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD _____	<u>136800</u>	<u>136800</u>	_____	_____
Auxiliary Power _____	<u>NO</u>	<u>YES</u>	_____	_____

* Submersible, centrifugal, etc.

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>GLASS & STEEL</u>	<u>STEEL</u>	_____	_____
Capacity of Tank _____	<u>100,000</u>	<u>1000</u>	_____	_____
Ground or Elevated _____	<u>GROUND</u>	<u>GROUND</u>	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	<u>BALDOR</u>	<u>BALDOR</u>	_____	_____
Type _____	<u>JMM 3BT</u>	<u>JMM 3BT</u>	_____	_____
Rated Horsepower _____	<u>10 HP</u>	<u>10 HP</u>	_____	_____
Pumps				
Manufacturer _____	<u>GOULDS</u>	<u>GOULDS</u>	_____	_____
Type _____	<u>CENTRIFUGAL</u>	<u>CENTRIFUGAL</u>	_____	_____
Capacity in GPM _____	<u>140</u>	<u>140</u>	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	<u>YES</u>	<u>YES</u>	_____	_____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)

Permitted Gals. per day _____ Type of Source _____	<u>140,000</u> <u>MID-HAWTHORNE</u> <u>AGUAFIER</u>	_____	_____
---	---	-------	-------

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:

Type _____ Make _____ Permitted Capacity (GPD) _____ High service pumping Gallons per minute _____ Reverse Osmosis _____ Lime Treatment Unit Rating _____ Filtration Pressure Sq. Ft. _____ Gravity GPD/Sq.Ft. _____ Disinfection Chlorinator _____ Ozone _____ Other _____ Auxiliary Power _____	<u>REVERSE OSMOSIS</u> <u>HYDRO PRO</u> <u>50,000 GPD</u> <u>140 GPM EACH x 2</u> <u>YES</u> <u>NO</u> <u>NO</u> <u>NO</u> <u>YES</u> <u>NO</u> <u>NO</u> <u>YES</u>	_____	_____
--	---	-------	-------

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

GENERAL 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. 2005 WATER SOLD 12,456,000 / 350 / 1000 = 365 = 0975
- 2. Maximum number of ERCs * which can be served. 50,000 GPD PERMITTED / 350 / 1000 = .143 ERC
- 3. Present system connection capacity (in ERCs *) using existing lines. .143 ERC
- 4. Future connection capacity (in ERCs *) upon service area buildout. BUILT OUT
- 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.
① METER CHANGE OUT TO SYSTEM
② STORAGE SHED TO RECONSTRUCTED (LOOSSED TO HURRICANE CHARLEY)
- 9. When did the company last file a capacity analysis report with the DEP? OCTOBER 2003
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. NA
 - 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 # FL 0036218 / FLA 146102-002-IW5C
- 12. Water Management District Consumptive Use Permit # _____
 - 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 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 SFR 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).

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

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	<u>15,788</u>	_____	_____	<u>15,788</u>
354	Structures and Improvements	<u>196,388</u>	_____	_____	<u>196,388</u>
355	Power Generation Equipment	_____	_____	_____	_____
360	Collection Sewers - Force	<u>122,424</u>	_____	_____	<u>122,424</u>
361	Collection Sewers - Gravity	<u>377</u>	_____	_____	<u>377</u>
362	Special Collecting Structures	_____	_____	_____	_____
363	Services to Customers	_____	_____	_____	_____
364	Flow Measuring Devices	_____	_____	_____	_____
365	Flow Measuring Installations	_____	_____	_____	_____
370	Receiving Wells	<u>64,652</u>	_____	_____	<u>64,652</u>
371	Pumping Equipment	_____	_____	_____	_____
380	Treatment and Disposal Equipment	<u>42,112</u>	_____	_____	<u>42,112</u>
381	Plant Sewers	_____	_____	_____	_____
382	Outfall Sewer Lines	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment	<u>16,876</u>	<u>6,171</u>	_____	<u>23,047</u>
390	Office Furniture and Equipment	_____	_____	_____	_____
391	Transportation Equipment	<u>1,200</u>	_____	_____	<u>1,200</u>
392	Stores Equipment	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment	_____	_____	_____	_____
394	Laboratory Equipment	_____	_____	_____	_____
395	Power Operated Equipment	_____	_____	_____	_____
396	Communication Equipment	_____	_____	_____	_____
397	Miscellaneous Equipment	_____	_____	_____	_____
398	Other Tangible Plant	_____	_____	_____	_____
	Total Wastewater Plant	\$ <u>459,817</u>	\$ _____	\$ _____	\$ <u>465,988*</u>

* This amount should tie to sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f+g-h=i) (i)
354	Structures and Improvements				\$ 38,038		\$ 1,719	\$ 39,747
355	Power Generation Equipment				90,157		2,529	92,686
360	Collection Sewers - Force				108		9	117
361	Collection Sewers - Gravity							
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations							
370	Receiving Wells				54,954		2,495	57,449
371	Pumping Equipment							
380	Treatment and Disposal Equipment				59,424		2,809	62,233
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant and Miscellaneous Equipment				2,928		756	3,684
390	Office Furniture and Equipment							
391	Transportation Equipment				1,784		200	1,984
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Totals				\$ 247,384	\$	\$ 10,517	\$ 257,901

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 59,176
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	10,383
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	11,859
715	Purchased Power	3,454
716	Fuel for Power Production	6,278
718	Chemicals	
720	Materials and Supplies	
730	Contractual Services:	
	Billing	11,011
	Professional	720
	Testing	812
	Other	7,800
740	Rents	5,607
750	Transportation Expense	1,203
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses	2,351
	Total Wastewater Operation And Maintenance Expense	\$ 120,684*

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service	D	1.0	135	138	138
All meter sizes					
General Service	D	1.0	5	5	7.5
5/8"	D	1.5			
3/4"	D	2.5			
1"	D	5.0			
1 1/2"	D,T	8.0	2	2	16
2"	D,C,T	15.0			
3"	D	16.0			
3"	C	17.5			
3"	T				
Unmetered Customers					
Other (Specify)					
Total			142	145	161.5

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

PUMPING EQUIPMENT

Lift Station Number	<u>10</u>					
Make or Type and nameplate data on pump	<u>1 1/2 HP Goulds</u>	<u>* TOTAL OF 25 LIFT STATIONS</u>				
Year installed	<u>1987</u>					
Rated capacity	<u>500 GPM</u>					
Size	<u>1 1/2 HP</u>					
Power:						
Electric	<u>ELECTRIC</u>					
Mechanical	<u>-</u>					
Nameplate data of motor	<u>Goulds</u>					

SERVICE CONNECTIONS

Size (inches)	<u>4"</u>					
Type (PVC, VCP, etc.)	<u>PVC</u>					
Average length	<u>60'</u>					
Number of active service connections	<u>121</u>					
Beginning of year	<u>121</u>					
Added during year	<u>0</u>					
Retired during year	<u>0</u>					
End of year	<u>121</u>					
Give full particulars concerning inactive connections	<u>24 EMPTY LOTS</u>					

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches)	<u>6"</u>	<u>4"</u>			<u>6"</u>	<u>4"</u>		
Type of main	<u>PVC</u>	<u>PVC</u>			<u>PVC</u>	<u>PVC</u>		
Length of main (nearest foot)	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</u>		
Beginning of year	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</u>		
Added during year	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		
Retired during year	<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		
End of year	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</u>		

MANHOLES

Size (inches)		<u>60"</u>		
Type of Manhole		<u>CONCRETE</u>		
Number of Manholes:				
Beginning of year		<u>2</u>		
Added during year		<u>0</u>		
Retired during year		<u>0</u>		
End of Year		<u>2</u>		

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	<u>DAVCO</u>	<u>MCNEIL</u>	_____
Type _____	<u>EXTEND AIR</u>	<u>EXTEND AIR</u>	_____
"Steel" or "Concrete" _____	<u>CONCRETE</u>	<u>CONCRETE</u>	_____
Total Permitted Capacity _____	<u>COMBINED</u>	<u>.02 MGD</u>	_____
Average Daily Flow _____	<u>INTO 1 PLANT</u>	_____	_____
Method of Effluent Disposal _____	<u>PERC POND</u>	<u>PERC POND</u>	_____
Permitted Capacity of Disposal _____	_____	<u>.02 MGD</u>	_____
Total Gallons of Wastewater treated _____	_____	<u>4,344,600</u>	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>GOULDS</u>	_____	_____	_____	_____	_____
Capacity (GPM's) _____	<u>600 GPM</u>	_____	_____	_____	_____	_____
Motor: _____	_____	_____	_____	_____	_____	_____
Manufacturer _____	<u>GOULDS</u>	_____	_____	_____	_____	_____
Horsepower _____	<u>1/2</u>	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>ELECTRIC</u>	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>. 2391</u>	_____	<u>. 2391</u>
February _____	<u>. 3266</u>	_____	<u>. 3266</u>
March _____	<u>. 3565</u>	_____	<u>. 3565</u>
April _____	<u>. 3026</u>	_____	<u>. 3026</u>
May _____	<u>. 4310</u>	_____	<u>. 4310</u>
June _____	<u>. 4071</u>	_____	<u>. 4071</u>
July _____	<u>. 3605</u>	_____	<u>. 3605</u>
August _____	<u>. 2684</u>	_____	<u>. 2684</u>
September _____	<u>. 4519</u>	_____	<u>. 4519</u>
October _____	<u>. 3732</u>	_____	<u>. 3732</u>
November _____	<u>. 4507</u>	_____	<u>. 4507</u>
December _____	<u>. 3770</u>	_____	<u>. 3770</u>
Total for year _____	<u>4,3446</u>	_____	<u>4,3446</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2005

SYSTEM NAME: _____

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served. 2005 FLOW 4,344,600 / 1000 / 365 / 280 = .0425

2. Maximum number of ERCs* which can be served. 20,000 GPD / 1000 / 280 = .071 ERC

3. Present system connection capacity (in ERCs*) using existing lines. PLANT DESIGN 45,000 / 280 / 1000 = 161 ERC

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

5. Estimated annual increase in ERCs*. NONE

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
(1) LIFT STATION RENOVATIONS - NEW PANELS / PUMP / PLUMBING

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. NO

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? 2004

11. If the present system does not meet the requirements of DEP rules, submit the following: NO
a. Attach a description of the plant upgrade necessary to meet the DEP rules.
b. Have these plans been approved by DEP? _____
c. When will construction begin? _____
d. Attach plans for funding the required upgrading.
e. Is this system under any Consent Order with DEP? _____

12. Department of Environmental Protection ID # FLA 014494

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of SFR customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000) / 365 days / 280 gallons per day).

CERTIFICATION OF ANNUAL REPORT

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

YES NO 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.

YES NO 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

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

YES NO 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1. 2. 3. 4.

 VICE PRES.
(signature of Chief Executive Officer of the utility)

Date: MARCH 27, 2006

1. 2. 3. 4.

(signature of Chief Financial Officer of the utility) *

Date: _____

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

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

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

Company: USEPPA UTILITY, INC.

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>163,034</u>	\$ <u>163,033.13</u>	\$ <u>.87</u>
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ <u>163,034</u>	\$ <u>163,033.13</u>	\$ <u>.87</u>
LESS: Expense for Purchased Water from FPSC-Regulated Utility	<u>0</u>	<u>0</u>	<u>0</u>
Net Water Operating Revenues	\$ <u>163,034</u>	\$ <u>163,033.13</u>	\$ <u>.87</u>

Explanations:

Instructions:

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

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

Company: USEPPA UTILITY, INC

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ <u>87,006</u>	\$ <u>87,005.63</u>	\$ <u>.37</u>
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Wastewater Operating Revenue	\$ <u>87,006</u>	\$ <u>87,005.63</u>	\$ <u>.37</u>
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	<u>0</u>	<u>0</u>	<u>0</u>
Net Wastewater Operating Revenues	\$ <u>87,006</u>	\$ <u>87,005.63</u>	\$ <u>0</u>

Explanations:

Instructions:

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