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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS551-01-AR
DAMON UTILITIES, INC.
47 Lake Damon Drive
Avon Park, FL 33825-8902

499-W 433-S
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

02 MAR 19 PM 3:50
ECONOMIC REGULATION
PUBLIC SERVICE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
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.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
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 in the report. Additional pages 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 statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

DAMON UTILITIES, INC.

(EXACT NAME OF UTILITY)

47 LAKE DAMON DRIVE AVON PARK, FLORIDA 33825-8902		47 LAKE DAMON DRIVE AVON PARK, FLORIDA 33825-8902	
Mailing Address		Street Address	County
Telephone Number	(863) 453-0773	Date Utility First Organized	01/23/86
Fax Number	(863) 453-7269	E-mail Address	rivgrn@strato.net
Sunshine State One-Call of Florida, Inc. Member No.	DU1055		

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: Same As Above

Name of subdivisions where services are provided: River Greens Golf Course Area and Casa Del Lago Condominiums

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Ginny Cox</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Drive Avon Park, FL 33825</u>	\$ <u>0</u>
Person who prepared this report: <u>Ginny Cox</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Drive Avon Park, FL 33825</u>	\$ <u>0</u>
Officers and Managers: <u>J. A. Harstine</u>	<u>President</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>Rodney A. Davis</u>	<u>Secretary/Treasurer</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>George Davis</u>	<u>Vice President</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
			\$
			\$

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	Principle Business Address	Salary Charged Utility
<u>J. A. Harstine</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>Rodney A. Davis</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
<u>George Davis</u>	<u>33 1/3</u>	<u>47 Lake Damon Drive</u>	\$ <u>0</u>
			\$
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 40,950	\$ 27,366	\$ _____	\$ 68,316
Commercial_____		523	1,745	_____	2,268
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Reconnection Fees_____		263	38	_____	301
Total Gross Revenue_____		\$ 41,736	\$ 29,149	\$ _____	\$ 70,885
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 28,153	\$ 20,589	\$ _____	\$ 48,742
Depreciation Expense_____	F-5	5,238	7,802	_____	13,039
CIAC Amortization Expense_____	F-8	2,248	2,180	_____	4,428
Taxes Other Than Income_____	F-7	1,878	1,312	_____	3,190
Income Taxes_____	F-7	0	0	_____	0
Total Operating Expense		\$ 37,517	\$ 31,883	\$ _____	\$ 69,399
Net Operating Income (Loss)		\$ 4,219	\$ (2,734)	\$ _____	\$ 1,486
Other Income:					
Nonutility Income_____		\$ 59	\$ 0	\$ _____	\$ 59
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ 0	\$ 0	\$ _____	\$ 0
Interest Expense_____		_____	_____	_____	_____
Bank Loan_____		6,891	771	_____	7,662
_____		_____	_____	_____	0
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (2,613)	\$ (3,505)	\$ _____	\$ (6,117)

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)_____	\$ <u>126,257</u>	\$ <u>223,171</u>	\$ <u>0</u>	\$ <u>349,428</u>
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant_____	\$ <u><u>126,257</u></u>	\$ <u><u>223,171</u></u>	\$ <u><u>0</u></u>	\$ <u><u>349,428</u></u>

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

Account 108	Water	Wastewater	A/D & CIAC AM. Other Than Reporting Systems	Total
Balance First of Year_____	\$ <u>52,966</u>	\$ <u>126,033</u>	\$ _____	\$ <u>178,999</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account____	\$ <u>5,238</u>	\$ <u>7,802</u>	\$ _____	\$ <u>13,039</u>
Salvage_____	_____	_____	_____	_____
Other Credits (specify)_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits_____	\$ <u><u>5,238</u></u>	\$ <u><u>7,802</u></u>	\$ _____	\$ <u><u>13,039</u></u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired_____	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ _____
Cost of removal_____	_____	_____	_____	_____
Other debits (specify)_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits_____	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ _____	\$ _____
Balance End of Year_____	\$ <u><u>58,204</u></u>	\$ <u><u>133,835</u></u>	\$ _____	\$ <u><u>192,038</u></u>

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$1.00	N/A
Shares authorized _____	600	_____
Shares issued and outstanding _____	600	_____
Total par value of stock issued _____	\$600.00	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (15,947)
Changes during the year (Specify):		
Adjustments _____	_____	(7,784)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (23,731)

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Highlands Independent Bank (Variable Rate)	9.75	108	\$ 79,706
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 79,706

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ 53,630	\$ 61,936	\$ 115,566
2) Add credits during year_____	1,550	1,395	2,945
3) Total_____	\$ 55,180	\$ 63,331	\$ 118,511
4) Deduct charges during the year_____			
5) Balance end of year_____	55,180	63,331	118,511
6) Less Accumulated Amortization_____	24,875	20,157	45,032
7) Net CIAC_____	\$ 30,305	\$ 43,174	\$ 73,479

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
N/A			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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	
Meter Installation	10	\$ 155	
Sewer Connection	3	465	\$ 1,395
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____		\$ 1,550	\$ 1,395

ACCUMULATED AMORTIZATION OF CIAC

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Balance First of Year_____	\$ 22,627	\$ 17,977	\$ 40,604
Add Credits During Year:_____	2,248	2,180	4,428
Deduct Debits During Year:_____			
Balance End of Year (Must agree with line #6 above.)	\$ 24,875	\$ 20,157	\$ 45,032

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

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

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>_____</u>	<u>100.00</u> %		<u>N/A</u> %

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

APPROVED AFUDC RATE

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

WATER
OPERATING
SECTION

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

WATER UTILITY PLANT ACCOUNTS

Acct. No (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 5,658	\$ _____	\$ _____	\$ 5,658
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	_____	_____	_____	_____
304	Structures and Improvements_____	4,248	_____	_____	4,248
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	6,285	_____	_____	6,285
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	1,126	_____	_____	1,126
310	Power Generation Equipment_____	10,703	_____	_____	10,703
311	Pumping Equipment_____	8,032	_____	_____	8,032
320	Water Treatment Equipment_____	10,105	_____	_____	10,105
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	54,286	_____	_____	54,286
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	22,304	_____	_____	22,304
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
340	Office Furniture and Equipment_____	850	_____	_____	850
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	2,660	_____	_____	2,660
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 126,257	\$ 0	\$ _____	\$ 126,257

UTILITY NAME: Damon Utilities, Inc.

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)
301	Organization	40	%	2,500 %	\$ 2,258	\$	\$ 141	\$ 2,399
304	Structures and Improvements	27	%	3,704 %	1,700		157	1,857
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3,704 %	3,074		233	3,307
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains	32	%	3,125 %	250		35	285
310	Power Generating Equipment	17	%	5,882 %	1,828		630	2,458
311	Pumping Equipment	17	%	5,882 %	5,749		472	6,221
320	Water Treatment Equipment	17	%	5,882 %	6,616		594	7,210
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	38	%	2,632 %	18,817		1,429	20,246
333	Services		%					
334	Meter & Meter Installations	17	%	5,882 %	11,653		1,312	12,965
335	Hydrants		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment	15	%	6,667 %	185		57	242
341	Transportation Equipment		%					
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment	15	%	6,667 %	836		177	1,013
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Totals				\$ 52,966	\$ 0	\$ 5,238	\$ 58,204 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ 9,816
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	
604	Employee Pensions and Benefits_____	
610	Purchased Water_____	
615	Purchased Power_____	2,176
616	Fuel for Power Production_____	35
618	Chemicals_____	514
620	Materials and Supplies_____	2,367
630	Contractual Services:	
	Billing_____ #630	2,520
	Professional_____ #631	1,156
	Testing_____ #635	1,252
	Other_____ #636 Contract Labor	1,957
640	Rents_____	2,496
650	Transportation Expense_____	905
655	Insurance Expense_____	440
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	296
670	Bad Debt Expense_____	
675	Miscellaneous Expenses_____	2,223
	Total Water Operation And Maintenance Expense_____	\$ 28,153 *

* 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)	
5/8"	D	1.0	238	248	248
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total		
			238	248	248

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased [(b)+(c)-(d)] (Omit 000's)	(f) Water Sold To Customers (Omit 000's)
January_____	_____	1,410	328	1,082	1,082
February_____	_____	1,098	116	982	982
March_____	_____	1,229	210	1,019	1,019
April_____	_____	1,280	108	1,172	1,172
May_____	_____	1,093	174	919	919
June_____	_____	799	92	707	707
July_____	_____	936	85	851	851
August_____	_____	909	73	836	836
September_____	_____	876	56	820	820
October_____	_____	1,066	35	1,031	1,031
November_____	_____	1,082	73	1,009	1,009
December_____	_____	1,222	103	1,119	1,119
Total for Year_____	_____	<u>13,000</u>	<u>1,453</u>	<u>11,547</u>	<u>11,547</u>

If water is purchased for resale, indicate the following:

Point of delivery _____ N/A

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

_____ N/A

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	6 IN	825 LF	-	-	825 LF
PVC	4 IN	7,782 LF	-	-	7,782 LF
PVC	2 IN	3,410 LF	-	-	3,410 LF
PVC	1 IN	160 LF	-	-	160 LF
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

SYSTEM NAME: _____

**WELLS AND WELL PUMPS
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed_____	<u>1986</u>	<u>1987</u>	_____	_____
Types of Well Construction and Casing_____	<u>Steel & Concrete</u>	<u>Steel & Concrete</u>	_____	_____
_____	_____	_____	_____	_____
Depth of Wells_____	<u>500 FT</u>	<u>500 FT</u>	_____	_____
Diameters of Wells_____	<u>4 IN</u>	<u>4 IN</u>	_____	_____
Pump - GPM_____	<u>100</u>	<u>100</u>	_____	_____
Motor - HP_____	<u>5 HP</u>	<u>5 HP</u>	_____	_____
Motor Type *_____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD_____	<u>130,000</u>	<u>130,000</u>	_____	_____
Auxiliary Power_____	<u>N/A</u>	<u>N/A</u>	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	<u>Steel</u>	<u>Steel</u>	_____	_____
Capacity of Tank_____	<u>2,000</u>	<u>2,000</u>	_____	_____
Ground or Elevated_____	<u>Ground</u>	<u>Ground</u>	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer_____	<u>Sta-Rite</u>	<u>Sta-Rite</u>	_____	_____
Type_____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Rated Horsepower_____	<u>5 HP</u>	<u>5 HP</u>	_____	_____
<u>Pumps</u>				
Manufacturer_____	<u>Sta-Rite</u>	<u>Sta-Rite</u>	_____	_____
Type_____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Capacity in GPM_____	<u>100</u>	<u>100</u>	_____	_____
Average Number of Hours Operated Per Day_____	<u>2 1/2</u>	<u>2 1/2</u>	_____	_____
Auxiliary Power_____	<u>N/A</u>	<u>N/A</u>	_____	_____

UTILITY NAME: _____ Damon Utilities, Inc. _____

YEAR OF REPORT DECEMBER 31, 2001

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source_ _ _	14,560 Each	_____	_____
Type of Source_ _ _ _ _	2 Deep Wells	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	Wallace & Tierman	_____	_____
Make_ _ _ _ _	V-100	_____	_____
Gals. per day capacity_ _ _	130,000	_____	_____
High service pumping	N/A	_____	_____
Gallons per minute_ _ _ _	N/A	_____	_____
Reverse Osmosis_ _ _ _ _	N/A	_____	_____
Lime Treatment		_____	_____
Unit Rating_ _ _ _ _	N/A	_____	_____
Filtration		_____	_____
Pressure Sq. Ft._ _ _ _ _	N/A	_____	_____
Gravity GPD/Sq.Ft._ _ _ _	N/A	_____	_____
Disinfection		_____	_____
Chlorinator_ _ _ _ _	Gas	_____	_____
Ozone_ _ _ _ _	N/A	_____	_____
Other_ _ _ _ _	N/A	_____	_____
Auxiliary Power_ _ _ _ _	Generator (Portable)	_____	_____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERCs * now being served 90.39
2. Maximum ERCs ** that system can efficiently serve 371
3. Present system connection capacity (in ERC's) using existing lines _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs: * 1.39
6. Is the utility required to have fire flow capacity? _____
If so, how much capacity is required? 2 @ 150 GPM
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 at this time
9. When did the company last file a capacity analysis report with the DEP? _____
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.
 - 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? _____
11. Department of Environmental Protection ID # 6284078
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? _____
 - 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 single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
 (b) If no historical flow data are available use:
 $ERC = (\text{Total SRF Gallons Sold}(\text{omit } 000 / 365 \text{ days} / 350 \text{ Gallons Per Day})).$

WASTEWATER
OPERATING
SECTION

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ 17,504	\$ _____	\$ _____	\$ 17,504
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	_____	_____	_____	_____
354	Structures and Improvements_	1,958	_____	_____	1,958
360	Collection Sewers - Force_____	17,912	_____	_____	17,912
361	Collection Sewers - Gravity_____	59,454	_____	_____	59,454
362	Special Collecting Structures_	_____	_____	_____	_____
363	Services to Customers_____	_____	_____	_____	_____
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_	_____	_____	_____	_____
370	Receiving Wells_____	1,642	_____	_____	1,642
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	86,993	6,882	_____	93,875
381	Plant Sewers_____	7,750	_____	_____	7,750
382	Outfall Sewer Lines_____	21,652	_____	_____	21,652
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	850	_____	_____	850
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	574	_____	_____	574
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant_____	_____	_____	_____	_____
	Total Wastewater Plant_____	\$ 216,289	\$ _____	\$ _____	\$ 223,171 *

* This amount should tie to sheet F-5.

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)
351	Organization	40	%	2.500 %	\$ 6,182	\$	\$ 438	\$ 6,620
354	Structures and Improvements	27	%	3.704 %	1,051	\$	73	1,124
360	Collection Sewers - Force	27	%	3.704 %	5,801		663	6,464
361	Collection Sewers - Gravity	34	%	2.941 %	20,670		1,749	22,419
362	Special Collecting Structures		%					
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells	25	%	4.000 %	921		66	987
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment		%					
381	Plant Sewers	25	%	4.000 %	77,349		3,755	81,104
382	Outfall Sewer Lines	32	%	3.125 %	3,451		242	3,693
389	Other Plant and Miscellaneous Equipment	30	%	3.333 %	10,213		722	10,935
390	Office Furniture and Equipment		%					
391	Transportation Equipment	15	%	6.667 %	185		57	242
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment	15	%	6.667 %	210		38	248
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%					
	Totals				\$ 126,033	\$	\$ 7,802	\$ 133,835 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ 4,207
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	2,490
715	Purchased Power_____	2,546
716	Fuel for Power Production_____	_____
718	Chemicals_____	2,650
720	Materials and Supplies_____	930
730	Contractual Services:	
	Billing - #730_____	2,520
	Professional - #731_____	54
	Testing - #735_____	2,138
	Contract Labor - #736_____	126
740	Rents_____	1,644
750	Transportation Expense_____	603
755	Insurance Expense_____	171
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	296
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses_____	214
	Total Wastewater Operation And Maintenance Expense_____	\$ 20,589 *

* 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)	
5/8"	D	1.0	82	85	85
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
4"	D,C	25.0	_____	_____	_____
4"	T	30.0	_____	_____	_____
6"	D,C	50.0	_____	_____	_____
6"	T	62.5	_____	_____	_____
Other (Specify): _____ _____	_____ _____	_____ _____	_____ _____	_____ _____	_____ _____
Unmetered Customers			_____	_____	_____
Total			82	85	85

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

Lift Station Number_____	1	2	3	_____	_____	_____
Make or Type and nameplate data on pump_____	2	2	2	_____	_____	_____
Year installed_____	1986	1994	1989	_____	_____	_____
Rated capacity_____	190 GPM	117 GPM	117 GPM	_____	_____	_____
Size_____	2-3 HP	3 HP	3 HP	_____	_____	_____
Power:						
Electric_____	X	X	X	_____	_____	_____
Mechanical_____	_____	_____	_____	_____	_____	_____
Nameplate data of motor_____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches)_____	6 IN	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.)_____	PVC	_____	_____	_____	_____	_____
Average length_____	30 FT	_____	_____	_____	_____	_____
Number of active service connections_____	_____	_____	_____	_____	_____	_____
Beginning of year_____	82	_____	_____	_____	_____	_____
Added during year_____	3	_____	_____	_____	_____	_____
Retired during year_____	0	_____	_____	_____	_____	_____
End of year_____	85	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections_____	0	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains			
Size (inches)_____	8 IN	4 IN	8 IN	_____	_____	_____	_____
Type of main_____	PVC	PVC	PVC	_____	_____	_____	_____
Length of main (nearest foot)_____	2,814	30	1,100	_____	_____	_____	_____
Beginning of year_____	2,814	30	1,100	_____	_____	_____	_____
Added during year_____	0	0	0	_____	_____	_____	_____
Retired during year_____	0	0	0	_____	_____	_____	_____
End of year_____	2,814	30	1,100	_____	_____	_____	_____

MANHOLES

Size (inches)_____	36 IN	_____	36 IN	_____
Type of Manhole_____	Concrete	_____	Concrete	_____
Number of Manholes:				
Beginning of year_____	10	_____	4	_____
Added during year_____	0	_____	0	_____
Retired during year_____	0	_____	0	_____
End of Year_____	10	_____	4	_____

UTILITY NAME: _____ Damon Utilities, Inc.

SYSTEM NAME: _____

YEAR OF REPORT DECEMBER 31, 2001

TREATMENT PLANT

Manufacturer_____	Davco Defiance_____	_____	_____
Type_____	6131.73_____	_____	_____
"Steel" or "Concrete"_____	Concrete_____	_____	_____
Total Capacity_____	50,000 Gallons_____	_____	_____
Average Daily Flow_____	7,285 Gallons_____	_____	_____
Effluent Disposal_____	Drainfield_____	_____	_____
Total Gallons of Wastewater treated_____	2,658,890_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	N/A_____	_____	_____	_____	_____	_____
Capacity (GPM's)_____	_____	_____	_____	_____	_____	_____
Motor:_____	_____	_____	_____	_____	_____	_____
Manufacturer_____	_____	_____	_____	_____	_____	_____
Horsepower_____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	_____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	303,620_____	0_____	303,620_____
February_____	250,180_____	0_____	250,180_____
March_____	252,310_____	0_____	252,310_____
April_____	259,920_____	0_____	259,920_____
May_____	210,540_____	0_____	210,540_____
June_____	165,540_____	0_____	165,540_____
July_____	162,390_____	0_____	162,390_____
August_____	177,600_____	0_____	177,600_____
September_____	174,040_____	0_____	174,040_____
October_____	228,270_____	0_____	228,270_____
November_____	231,120_____	0_____	231,120_____
December_____	243,360_____	0_____	243,360_____
Total for year_____	2,658,890_____	0_____	2,658,890_____

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
December 31, 2001

SYSTEM NAME: _____

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1. Present number ERCs * now being served. 26.02
2. Maximum number of ERCs * which can be served. 178.57
3. Present system connection capacity (in ERC's) using existing lines. _____
4. Future connection capacity (in ERC's) upon service area buildout _____
5. Estimated annual increase in ERCs * (2.08)
6. Describe any plans and estimated completion dates for any enlargements of this system.
None at this time
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.
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? _____
11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
12. Department of Environmental Protection ID# _____

* An ERC is determined based on one of the following methods:

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

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.

 Rodney A. Davis *
(signature of chief executive officer of the utility)

1. 2. 3. 4.

_____*
(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.