

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS551-03-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

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

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

Company: Damon Utilities, Inc.

For the Year Ended December 31, 2003

| (a) | (b) | (c) | (d) |
|--|---|---|-------------------------|
| Accounts | Gross Water Revenues Per Sch. F-3 | Gross Water Revenues Per RAF Return | Difference (b) - (c) |
| Gross Revenue: | | | |
| Residential | \$ 41,972.53 | \$ _____ | \$ _____ |
| Commercial | 549.23 | _____ | _____ |
| Industrial | _____ | _____ | _____ |
| Multiple Family | _____ | _____ | _____ |
| Guaranteed Revenues | _____ | _____ | _____ |
| Other | 615.00 | _____ | _____ |
| Total Water Operating Revenue | \$ 43,136.76 | \$ _____ | \$ _____ |
| LESS: Expense for Purchased Water from FPSC-Regulated Utility | _____ | _____ | _____ |
| Net Water Operating Revenues | \$ 43,136.76 | \$ _____ | \$ _____ |

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: Damon Utilities Inc.

For the Year Ended December 31, 2003

| (a) | (b) | (c) | (d) |
|---|--|--|-------------------------|
| Accounts | Gross Wastewater Revenues Per Sch. F-3 | Gross Wastewater Revenues Per RAF Return | Difference (b) - (c) |
| Gross Revenue: | | | |
| Residential | \$ 29,625.30 | \$ _____ | \$ _____ |
| Commercial | 1,878.98 | _____ | _____ |
| Industrial | _____ | _____ | _____ |
| Multiple Family | _____ | _____ | _____ |
| Guaranteed Revenues | _____ | _____ | _____ |
| Other | 66.00 | _____ | _____ |
| Total Wastewater Operating Revenue | \$ 31,570.28 | \$ _____ | \$ _____ |
| LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility | _____ | _____ | _____ |
| Net Wastewater Operating Revenues | \$ 31,570.28 | \$ _____ | \$ _____ |

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).

FINANCIAL SECTION

TABLE OF CONTENTS

| FINANCIAL SECTION | PAGE |
|--|------|
| Identification | F-2 |
| Income Statement | F-3 |
| Balance Sheet | F-4 |
| Net 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 |
| Taxes Accrued | 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 |
| AFUDC 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 |
| Other Water System Information | W-6 |
| 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, Collecting and Force Mains and Manholes | S-4 |
| Other Wastewater System Information | S-5 |
| VERIFICATION SECTION | PAGE |
| Verification | V-1 |

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 damonutilities@earthlink.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>Judy Fusani</u> | <u>Bookkeeper</u> | <u>47 Lake Damon Drive Avon Park, FL 33825</u> | \$ <u>0</u> |
| Person who prepared this report: <u>Judy Fusani</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> |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ |

UTILITY NAME Damon Utilities, Inc.

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

YEAR OF REPORT
DECEMBER 31, 2003

04 MAY 10 AM 11:15
INCOME STATEMENT

REVISED MAY 6, 2004

DIVISION OF
ECONOMIC REGULATION

| Account Name | Ref. Page | Water | Wastewater | Other | Total Company |
|---|------------|-----------|------------|-------|---------------|
| Gross Revenue: | | | | | |
| Residential | | \$ 41,973 | \$ 29,625 | \$ | \$ 71,598 |
| Commercial | | 549 | 1,879 | | 2,428 |
| Industrial | | | | | |
| Multiple Family | | | | | |
| Guaranteed Revenues | | | | | |
| Other (Late Fee) | | 360 | 6 | | 366 |
| Connection Fees | | 255 | 60 | | 315 |
| Total Gross Revenue | | \$ 43,137 | \$ 31,570 | \$ | \$ 74,707 |
| Operation Expense (Must tie to pages W-3 and S-3) | W-3 S-3 | \$ 30,131 | \$ 22,204 | \$ | \$ 52,335 |
| Depreciation Expense | F-5 | 5,400 | 3,898 | | 9,298 |
| CIAC Amortization Expense | F-8 | (2,365) | (1,097) | | (3,462) |
| Taxes Other Than Income | F-7 | 3,990 | 2,648 | | 6,638 |
| Income Taxes | F-7 | 0 | 0 | | 0 |
| Total Operating Expense | | \$ 37,156 | \$ 27,653 | \$ | \$ 64,809 |
| Net Operating Income (Loss) | | \$ 5,981 | \$ 3,917 | \$ | \$ 9,898 |
| Other Income: | | | | | |
| Nonutility Income | | \$ 0 | \$ 0 | \$ | \$ 0 |
| Other Deductions: | | | | | |
| Miscellaneous Nonutility Expenses | | \$ 0 | \$ 0 | \$ | \$ 0 |
| Interest Expense | | | | | |
| Bank Loan | | 3,101 | 1,034 | | 4,135 |
| | | | | | 0 |
| Net Income (Loss) | | \$ 2,880 | \$ 2,883 | \$ | \$ 5,763 |

UTILITY NAME: Damon Utilities, Inc.

| |
|---|
| YEAR OF REPORT DECEMBER 31, 2003 |
|---|

COMPARATIVE BALANCE SHEET REVISED MAY 6, 2004

| ACCOUNT NAME | Reference Page | Current Year | Previous Year |
|--|----------------|-------------------|-------------------|
| Assets: | | | |
| Utility Plant in Service (101-105) _____ | F-5,W-1,S-1 | \$ <u>358,764</u> | \$ <u>352,098</u> |
| Accumulated Depreciation and Amortization (108) _____ | F-5,W-2,S-3 | <u>224,885</u> | <u>205,133</u> |
| Net Utility Plant _____ | | \$ <u>133,879</u> | \$ <u>146,965</u> |
| Cash _____ | | <u>1,930</u> | <u>5,481</u> |
| Customer Accounts Receivable (141) _____ | | <u>6,672</u> | <u>6,121</u> |
| Other Assets (Specify): <u> </u> Security Deposit | | <u>100</u> | <u>100</u> |
| _____ | | | |
| _____ | | | |
| Total Assets _____ | | \$ <u>142,581</u> | \$ <u>158,667</u> |
| Liabilities and Capital: | | | |
| Common Stock Issued (201) _____ | F-6 | <u>600</u> | <u>600</u> |
| Preferred Stock Issued (204) _____ | F-6 | | |
| Other Paid in Capital (211) _____ | | <u>14,400</u> | <u>14,400</u> |
| Retained Earnings (215) _____ | F-6 | <u>(15,835)</u> | <u>(13,766)</u> |
| Proprietary Capital (Proprietary and partnership only) (218) _____ | F-6 | | |
| Total Capital _____ | | \$ <u>(835)</u> | \$ <u>1,234</u> |
| Long Term Debt (224) _____ | F-6 | \$ <u>62,637</u> | \$ <u>71,287</u> |
| Accounts Payable (231) _____ | | <u>7,612</u> | <u>3,688</u> |
| Notes Payable (232) _____ | | | |
| Customer Deposits (235) _____ | | | |
| Accrued Taxes (236) _____ | | <u>3,362</u> | <u>5,046</u> |
| Other Liabilities (Specify) _____ | | | |
| Loans From Stockholders _____ | | <u>7,200</u> | <u>7,200</u> |
| _____ | | | |
| Advances for Construction _____ | | | |
| Contributions in Aid of Construction - Net (271-272) _____ | F-8 | <u>62,605</u> | <u>70,212</u> |
| Total Liabilities and Capital _____ | | \$ <u>142,581</u> | \$ <u>158,667</u> |

UTILITY NAME Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

REVISED MAY 6, 2004

GROSS UTILITY PLANT

| Plant Accounts: (101 - 107) inclusive | Water | Wastewater | Plant other Than Reporting Systems | Total |
|---|-------------------|-------------------|---|-------------------|
| Utility Plant in Service (101)_____ | \$ <u>129,215</u> | \$ <u>229,549</u> | \$ <u>0</u> | \$ <u>358,764</u> |
| Construction Work in Progress (105)_____ | _____ | _____ | _____ | _____ |
| Other (Specify) _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Total Utility Plant_____ | \$ <u>129,215</u> | \$ <u>229,549</u> | \$ _____ | \$ <u>358,764</u> |

ACCUMULATED DEPRECIATION OF UTILITY PLANT

| Account 108 | Water | Wastewater | A/D & CIAC AM. Other Than Reporting Systems | Total |
|--|---------------------|----------------------|--|----------------------|
| Balance First of Year_____ | \$ <u>63,631</u> | \$ <u>141,502</u> | \$ _____ | \$ <u>205,133</u> |
| Add Credits During Year: | | | | |
| Accruals charged to depreciation account_____ | \$ <u>5,400</u> | \$ <u>3,898</u> | \$ _____ | \$ <u>9,298</u> |
| Salvage_____ | _____ | _____ | _____ | _____ |
| Other Credits (Adjustment) | <u>1</u> | _____ | _____ | <u>1</u> |
| PSC Adjustment | _____ | <u>10,879</u> | _____ | <u>10,879</u> |
| Total Credits_____ | \$ <u>5,401</u> | \$ <u>14,777</u> | \$ _____ | \$ <u>20,178</u> |
| Deduct Debits During Year: | | | | |
| Book cost of plant retired_____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| Cost of removal_____ | _____ | _____ | _____ | _____ |
| Other debits (specify) | _____ | <u>(1)</u> | _____ | <u>(1)</u> |
| PSC Adjustment | <u>(425)</u> | _____ | _____ | <u>(425)</u> |
| Total Debits_____ | \$ <u>(425)</u> | \$ <u>(1)</u> | \$ _____ | \$ <u>(426)</u> |
| Balance End of Year_____ | \$ <u>68,607</u> | \$ <u>156,278</u> | \$ _____ | \$ <u>224,885</u> |

UTILITY NAME Damon Utilities, Inc.

| |
|---|
| <p>YEAR OF REPORT DECEMBER 31, 2003</p> |
|---|

CAPITAL STOCK (201 - 204) REVISED MAY 6, 2004

| | 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 _____ | \$ _____ | \$ (13,766) |
| Changes during the year (Specify): | | |
| Prior Period Adjustments _____ | _____ | (6,154) |
| Adjustment to Balance _____ | _____ | (1,678) |
| Net Income For 2003 _____ | _____ | 5,763 |
| Balance end of year _____ | \$ _____ | \$ (15,835) |

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 _____ | 5.00% | 72 | \$ 62,637 |
| _____ | | | _____ |
| _____ | | | _____ |
| Total _____ | | | \$ 62,637 |

UTILITY NAME: Damon Utilities, Inc.

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2003 |
|-------------------------------------|

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

| (a) | Water (b) | Wastewater (c) | Total (d) |
|--|------------------|-------------------|-------------------|
| 1) Balance first of year_____ | \$ <u>55,955</u> | \$ <u>63,796</u> | \$ <u>119,751</u> |
| 2) Add credits during year_____ | <u>155</u> | | <u>155</u> |
| 3) Total_____ | \$ <u>56,110</u> | \$ <u>63,796</u> | \$ <u>119,906</u> |
| 4) Deduct charges during the year_____ | | | |
| 5) Balance end of year_____ | <u>56,110</u> | <u>63,796</u> | <u>119,906</u> |
| 6) Less Accumulated Amortization_____ | <u>29,564</u> | <u>27,737</u> | <u>57,301</u> |
| 7) Net CIAC_____ | \$ <u>26,546</u> | \$ <u>36,059</u> | \$ <u>62,605</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 |
|---|-------------------------------|-----------------------|-------------|
| 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 | 1 | \$ 155 | |
| _____ | _____ | _____ | |
| _____ | _____ | _____ | |
| _____ | _____ | _____ | |
| Total Credits During Year (Must agree with line # 2 above.)_____ | | | |
| | | \$ <u>155</u> | \$ <u>0</u> |

ACCUMULATED AMORTIZATION OF CIAC

| | Water | Wastewater | Total |
|--|------------------|------------------|------------------|
| Balance First of Year_____ | \$ <u>27,170</u> | \$ <u>22,369</u> | \$ <u>49,539</u> |
| Add Credits During Year:_____ | <u>2,365</u> | <u>1,097</u> | <u>3,462</u> |
| PSC Adjustment | <u>29</u> | <u>4,271</u> | <u>4,300</u> |
| Deduct Debits During Year:_____ | | | |
| Balance End of Year (Must agree with line #6 above.) | \$ <u>29,564</u> | \$ <u>27,737</u> | \$ <u>57,301</u> |

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

UTILITY NAME: Damon Utilities, Inc.

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2003 |
|-------------------------------------|

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>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**

WATER UTILITY PLANT ACCOUNTS

| Acct. No. (a) | Account Name (b) | Previous Year (c) | ADJUSTMENTS PSC ORDER 03-845-PAA-WS | TOTAL PSC ORDER 03-845-PAA-WS | Additions (f) | Retirements | Current Year |
|------------------|---|----------------------|---|-------------------------------------|------------------|-------------|-------------------|
| 301 | Organization | \$ 5,658 | \$ 568 | \$ 6,226 | \$ | \$ | \$ 6,226 |
| 302 | Franchises | | | | | | |
| 303 | Land and Land Rights | | | | | | |
| 304 | Structures and Improvements | 4,248 | (567) | 3,681 | | | 3,681 |
| 305 | Collecting and Impounding Reservoirs | | | | | | |
| 306 | Lake, River and Other Intakes | | | | | | |
| 307 | Wells and Springs | 6,285 | | 6,285 | | | 6,285 |
| 308 | Infiltration Galleries and Tunnels | | | | | | |
| 309 | Supply Mains | 1,126 | | 1,126 | | | 1,126 |
| 310 | Power Generation Equipment | 10,703 | | 10,703 | | | 10,703 |
| 311 | Pumping Equipment | 8,032 | | 8,032 | | | 8,032 |
| 320 | Water Treatment Equipment | 10,105 | | 10,105 | | | 10,105 |
| 330 | Distribution Reservoirs and Standpipes | | | | | | |
| 331 | Transmission and Distribution Lines | 54,286 | | 54,286 | | | 54,286 |
| 333 | Services | | | | | | |
| 334 | Meters and Meter Installations | 24,974 | (565) | 24,409 | 452 | | 24,861 |
| 335 | Hydrants | | | | | | |
| 336 | Backflow Prevention Devices | | | | | | |
| 339 | Other Plant and Miscellaneous Equipment | | | | | | |
| 340 | Office Furniture and Equipment | 850 | 400 | 1,250 | | | 1,250 |
| 341 | Transportation Equipment | | | | | | |
| 342 | Stores Equipment | | | | | | |
| 343 | Tools, Shop and Garage Equipment | 2,660 | | 2,660 | | | 2,660 |
| 344 | Laboratory Equipment | | | | | | |
| 345 | Power Operated Equipment | | | | | | |
| 346 | Communication Equipment | | | | | | |
| 347 | Miscellaneous Equipment | | | | | | |
| 348 | Other Tangible Plant | | | | | | |
| | Total Water Plant | \$ 128,927 | \$ (164) | \$ 128,763 | \$ 452 | \$ 0 | \$ 129,215 |

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31 2003

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) | ADJUSTMENTS PSC ORDER 03-845-PAA-WS (g) | TOTAL PSC ORDER 03-845-PAA-WS (h) | Debits (i) | Credits | Accum. Depr. Balance End of Year 2003 |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|---|-----------------------------------|------------|----------|---------------------------------------|
| 301 | Organization | 40 | % | 2.50 % | \$ 2,540 | \$ 40 | \$ 2,580 | \$ | \$ 156 | \$ 2,736 |
| 304 | Structures and Improvements | 28 | % | 3.57 % | 2,016 | (130) | 1,886 | | 131 | 2,017 |
| 305 | Collecting and Impounding Reservoirs | | % | | | | | | | |
| 306 | Lake, River and Other Intakes | | % | | | | | | | |
| 307 | Wells and Springs | 27 | % | 3.70 % | 3,539 | (2) | 3,537 | | 233 | 3,770 |
| 308 | Infiltration Galleries & Tunnels | | % | | | | | | | |
| 309 | Supply Mains | 32 | % | 3.13 % | 321 | 18 | 339 | | 35 | 374 |
| 310 | Power Generating Equipment | 17 | % | 5.88 % | 3,087 | 60 | 3,147 | | 629 | 3,776 |
| 311 | Pumping Equipment | 17 | % | 5.88 % | 6,694 | (116) | 6,578 | | 472 | 7,050 |
| 320 | Water Treatment Equipment | 17 | % | 5.88 % | 7,805 | 27 | 7,832 | | 594 | 8,426 |
| 330 | Distribution Reservoirs & Standpipes | | % | | | | | | | |
| 331 | Trans. & Dist. Mains | 38 | % | 2.63 % | 21,674 | (6) | 21,668 | | 1,428 | 23,096 |
| 333 | Services | | % | | | | | | | |
| 334 | Meter & Meter Installations | 17 | % | 5.88 % | 14,467 | (587) | 13,880 | | 1,462 | 15,342 |
| 335 | Hydrants | | % | | | | | | | |
| 339 | Other Plant and Miscellaneous Equipment | | % | | | | | | | |
| 340 | Office Furniture and Equipment | | % | | | | | | | |
| 341 | Transportation Equipment | 15 | % | 6.67 % | 298 | 182 | 480 | | 83 | 563 |
| 342 | Stores Equipment | | % | | | | | | | |
| 343 | Tools, Shop and Garage Equipment | 15 | % | 6.67 % | 1,191 | 89 | 1,280 | | 177 | 1,457 |
| 344 | Laboratory Equipment | | % | | | | | | | |
| 345 | Power Operated Equipment | | % | | | | | | | |
| 346 | Communication Equipment | | % | | | | | | | |
| 347 | Miscellaneous Equipment | | % | | | | | | | |
| 348 | Other Tangible Plant | | % | | | | | | | |
| | Totals | | | | \$ 63,632 | \$ (425) | \$ 63,207 | \$ 0 | \$ 5,400 | \$ 68,607 * |

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

| Acct. No. | Account Name | Amount |
|-----------|--|-------------|
| 601 | Salaries and Wages - Employees_____ | \$ 11,315 |
| 603 | Salaries and Wages - Officers, Directors, and Majority Stockholders_____ | |
| 604 | Employee Pensions and Benefits_____ | |
| 610 | Purchased Water_____ | |
| 615 | Purchased Power_____ | 1,556 |
| 616 | Fuel for Power Production_____ | |
| 618 | Chemicals_____ | 2,629 |
| 620 | Materials and Supplies_____ | 2,126 |
| 630 | Contractual Services: | |
| | Billing_____ #630 | 945 |
| | Professional_____ #631 | 413 |
| | Testing_____ #635 | 3,733 |
| | Other_____ #636 Contract Labor | 2,928 |
| 640 | Rents_____ | 2,520 |
| 650 | Transportation Expense_____ | 905 |
| 655 | Insurance Expense_____ | 604 |
| 665 | Regulatory Commission Expenses (Amortized Rate Case Expense)_____ | 281 |
| 670 | Bad Debt Expense_____ | 176 |
| 675 | Miscellaneous Expenses_____ | |
| | Total Water Operation And Maintenance Expense_____ | \$ 30,131 * |

* 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 | 250 | 251 | 251 |
| 3/4" | D | 1.5 | | | |
| 1" | D | 2.5 | | | |
| 1 1/2" | D,T | 5.0 | | | |
| General Serv | | | | | |
| 5/8" | D | 1.0 | 2 | 2 | 2 |
| 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 | | | |
| Other (Specify Meter Tie-In Multi-Condos (4) 5/8" | D | 1.0 | 1 | 1 | 1 |
| Unmetered Customers | | | | | |
| ** D = Displacement C = Compound T = Turbine | | | Total | 253 | 254 |
| | | | 253 | 254 | 254 |

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 _____ | _____ | 1,084 | 147 | 937 | 937 |
| February _____ | _____ | 977 | 87 | 890 | 890 |
| March _____ | _____ | 1,126 | 107 | 1,019 | 1,019 |
| April _____ | _____ | 1,208 | 57 | 1,151 | 1,151 |
| May _____ | _____ | 1,033 | 52 | 981 | 981 |
| June _____ | _____ | 761 | 55 | 706 | 706 |
| July _____ | _____ | 853 | 99 | 754 | 754 |
| August _____ | _____ | 828 | 88 | 740 | 740 |
| September _____ | _____ | 745 | 66 | 679 | 679 |
| October _____ | _____ | 895 | 56 | 839 | 839 |
| November _____ | _____ | 1,132 | 100 | 1,032 | 1,032 |
| December _____ | _____ | 915 | 73 | 842 | 842 |
| Total for Year _____ | _____ | 11,557 | 987 | 10,570 | 10,570 |

If water is purchased for resale, indicate the following:

N/A

Point of delivery _____

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 2003 |
|------------------------------------|

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) |
|---|--------------------|--------------------|-------|-------|
| Motors | | | | |
| 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> | _____ | _____ |
| Pumps | | | | |
| 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, 2003 |
|-------------------------------------|

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 236
2. Maximum ERCs ** that system can efficiently serve 294
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: * 9
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 # NONE
 - 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 = (Total SRF Gallons Sold(omit 000 / 365 days / 350 Gallons Per Day).

**WASTEWATER
OPERATING
SECTION**

WASTEWATER UTILITY PLANT ACCOUNTS

| Acct. No. (a) | Account Name (b) | Previous Year (c) 2002 | ADJUSTMENTS PSC ORDER 03-845-PAA-WS | TOTAL PSC ORDER 03-845-PAA-WS | Additions (d) 2003 | Retirements (e) | Current Year (f) 2003 |
|---------------------|--|---------------------------------|---|-------------------------------------|--------------------------|--------------------|--------------------------------|
| 351 | Organization _____ | \$ 17,504 | \$ _____ | \$ 17,504 | \$ _____ | \$ _____ | \$ 17,504 |
| 352 | Franchises _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 353 | Land and Land Rights _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 354 | Structures and Improvements _____ | 1,958 | _____ | 1,958 | _____ | _____ | 1,958 |
| 360 | Collection Sewers - Force _____ | 17,912 | (575) | 17,337 | _____ | _____ | 17,337 |
| 361 | Collection Sewers - Gravity _____ | 59,454 | 575 | 60,029 | 4,677 | _____ | 64,706 |
| 362 | Special Collecting Structures _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 363 | Services to Customers _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 364 | Flow Measuring Devices _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 365 | Flow Measuring Installations _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 370 | Receiving Wells _____ | 1,642 | _____ | 1,642 | _____ | _____ | 1,642 |
| 371 | Pumping Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 380 | Treatment and Disposal Equipment _____ | 93,875 | _____ | 93,875 | _____ | _____ | 93,875 |
| 381 | Plant Sewers _____ | 7,750 | _____ | 7,750 | 1,301 | _____ | 9,051 |
| 382 | Outfall Sewer Lines _____ | 21,652 | _____ | 21,652 | _____ | _____ | 21,652 |
| 389 | Other Plant and Miscellaneous Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 390 | Office Furniture and Equipment _____ | 850 | 400 | 1,250 | _____ | _____ | 1,250 |
| 391 | Transportation Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 392 | Stores Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 393 | Tools, Shop and Garage Equipment _____ | 574 | _____ | 574 | _____ | _____ | 574 |
| 394 | Laboratory Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 395 | Power Operated Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 396 | Communication Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 397 | Miscellaneous Equipment _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 398 | Other Tangible Plant _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| | Total Wastewater Plant _____ | \$ 223,171 | \$ 400 | \$ 223,571 | \$ 5,978 | \$ 0 | \$ 229,549 * |

* This amount should tie to sheet F-5.

UTILITY NAME: Damon Utilities, Inc.

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) | ADJUSTMENTS PSC ORDER 03-845-PAA-WS | TOTAL PSC ORDER 03-845-PAA-WS | Debits (g) | Credits (h) | Accum. Depr. Balance End of Year (f+g+h=i) 2003 |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|-------------------------------------|-------------------------------|------------|-------------|---|
| 351 | Organization | 40 | 2.50 % | % | \$ 7,058 | \$ 218 | \$ 7,276 | \$ | \$ 438 | \$ 7,714 |
| 354 | Structures and Improvements | 27 | 3.70 % | % | 1,197 | 18 | 1,215 | | 73 | 1,288 |
| 360 | Collection Sewers - Force | 27 | 3.70 % | % | 7,127 | 8 | 7,135 | | 729 | 7,864 |
| 361 | Collection Sewers - Gravity | 40 | 2.50 % | % | 24,168 | (44) | 24,124 | | 1,501 | 25,625 |
| 362 | Special Collecting Structures | | % | % | | | | | | |
| 363 | Services to Customers | | % | % | | | | | | |
| 364 | Flow Measuring Devices | | % | % | | | | | | |
| 365 | Flow Measuring Installations | | % | % | | | | | | |
| 370 | Receiving Wells | 25 | 4.00 % | % | 1,053 | 9 | 1,062 | | 66 | 1,128 |
| 371 | Pumping Equipment | | % | % | | | | | | |
| 380 | Treatment and Disposal Equipment | 15 | 6.67 % | % | 84,721 | 9,156 | 93,877 | (2) | | 93,875 |
| 381 | Plant Sewers | 32 | 3.13 % | % | 3,935 | 125 | 4,060 | | 263 | 4,323 |
| 382 | Outfall Sewer Lines | 30 | 3.33 % | % | 11,657 | 503 | 12,160 | | 722 | 12,882 |
| 389 | Other Plant and Miscellaneous Equipment | | % | % | | | | | | |
| 390 | Office Furniture and Equipment | 15 | 6.67 % | % | 299 | 847 | 1,146 | | 70 | 1,216 |
| 391 | Transportation Equipment | | % | % | | | | | | |
| 392 | Stores Equipment | | % | % | | | | | | |
| 393 | Tools, Shop and Garage Equipment | 15 | 6.67 % | % | 286 | 39 | 325 | | 38 | 363 |
| 394 | Laboratory Equipment | | % | % | | | | | | |
| 395 | Power Operated Equipment | | % | % | | | | | | |
| 396 | Communication Equipment | | % | % | | | | | | |
| 397 | Miscellaneous Equipment | | % | % | | | | | | |
| 398 | Other Tangible Plant | | % | % | | | | | | |
| | Totals | | | | \$ 141,501 | \$ 10,879 | \$ 152,380 | \$ (2) | \$ 3,900 | \$ 156,278 * |

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

| Acct. No. | Account Name | Amount |
|-----------|--|-------------|
| 701 | Salaries and Wages - Employees_____ | \$ 3,772 |
| 703 | Salaries and Wages - Officers, Directors, and Majority Stockholders_____ | _____ |
| 704 | Employee Pensions and Benefits_____ | _____ |
| 710 | Purchased Wastewater Treatment_____ | _____ |
| 711 | Sludge Removal Expense_____ | 2,565 |
| 715 | Purchased Power_____ | 2,301 |
| 716 | Fuel for Power Production_____ | _____ |
| 718 | Chemicals_____ | 2,616 |
| 720 | Materials and Supplies_____ | 662 |
| 730 | Contractual Services: | |
| | Billing - #730_____ | 315 |
| | Professional - #731_____ | 1,488 |
| | Testing - #735_____ | 2,682 |
| | Contract Labor - #736_____ | 2,830 |
| 740 | Rents_____ | 1,940 |
| 750 | Transportation Expense_____ | 603 |
| 755 | Insurance Expense_____ | 235 |
| 765 | Regulatory Commission Expenses (Amortized Rate Case Expense)_____ | 136 |
| 770 | Bad Debt Expense_____ | 59 |
| 775 | Miscellaneous Expenses_____ | _____ |
| | Total Wastewater Operation And Maintenance Expense_____ | \$ 22,204 * |

* 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 | | | | | |
| All meter sizes | D | 1.0 | 84 | 84 | 84 |
| | D | 1.5 | _____ | _____ | _____ |
| General Services | D | 2.5 | _____ | _____ | _____ |
| 5/8" | D,T | 5.0 | 2 | 2 | 2 |
| 3/4" | D,C,T | 8.0 | _____ | _____ | _____ |
| 1" | D | 15.0 | _____ | _____ | _____ |
| 1 1/2" | C | 16.0 | _____ | _____ | _____ |
| 2" | T | 17.5 | _____ | _____ | _____ |
| 3" | D,C | 25.0 | _____ | _____ | _____ |
| 3" | T | 30.0 | _____ | _____ | _____ |
| 3" | D,C | 50.0 | _____ | _____ | _____ |
| Unmetered Custom: | T | 62.5 | _____ | _____ | _____ |
| Other (Specify): | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| Unmetered Customers | | | _____ | _____ | _____ |
| Total | | | 86 | 86 | 86 |

** D = Displacement
C = Compound
T = Turbine

PUMPING EQUIPMENT

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

SERVICE CONNECTIONS

| | | | | | | |
|--|--------------|-------|-------|-------|-------|-------|
| Size (inches)_____ | <u>6 IN</u> | _____ | _____ | _____ | _____ | _____ |
| Type (PVC, VCP, etc.)_____ | <u>PVC</u> | _____ | _____ | _____ | _____ | _____ |
| Average length_____ | <u>30 FT</u> | _____ | _____ | _____ | _____ | _____ |
| Number of active service connections_____ | <u>86</u> | _____ | _____ | _____ | _____ | _____ |
| Beginning of year_____ | <u>86</u> | _____ | _____ | _____ | _____ | _____ |
| Added during year_____ | <u>0</u> | _____ | _____ | _____ | _____ | _____ |
| Retired during year_____ | <u>0</u> | _____ | _____ | _____ | _____ | _____ |
| End of year_____ | <u>86</u> | _____ | _____ | _____ | _____ | _____ |
| Give full particulars concerning inactive connections_____ | <u>0</u> | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ |

COLLECTING AND FORCE MAINS

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

MANHOLES

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

UTILITY NAME: _____ Damon Utilities, Inc.

| |
|-------------------------------------|
| YEAR OF REPORT DECEMBER 31, 2003 |
|-------------------------------------|

SYSTEM NAME: _____

TREATMENT PLANT

| | | | |
|---|----------------------|-------|-------|
| Manufacturer _____ | Davco Defiance _____ | _____ | _____ |
| Type _____ | 6131.73 _____ | _____ | _____ |
| "Steel" or "Concrete" _____ | Concrete _____ | _____ | _____ |
| Total Capacity _____ | 50,000 Gallons _____ | _____ | _____ |
| Average Daily Flow _____ | 6,532 Gallons _____ | _____ | _____ |
| Effluent Disposal _____ | Drainfield _____ | _____ | _____ |
| Total Gallons of Wastewater treated _____ | 2,384,000 _____ | _____ | _____ |

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 _____ | 225,000 _____ | 0 _____ | 225,000 _____ |
| February _____ | 228,000 _____ | 0 _____ | 228,000 _____ |
| March _____ | 255,000 _____ | 0 _____ | 255,000 _____ |
| April _____ | 204,000 _____ | 0 _____ | 204,000 _____ |
| May _____ | 180,000 _____ | 0 _____ | 180,000 _____ |
| June _____ | 139,000 _____ | 0 _____ | 139,000 _____ |
| July _____ | 164,000 _____ | 0 _____ | 164,000 _____ |
| August _____ | 178,000 _____ | 0 _____ | 178,000 _____ |
| September _____ | 162,000 _____ | 0 _____ | 162,000 _____ |
| October _____ | 180,000 _____ | 0 _____ | 180,000 _____ |
| November _____ | 251,000 _____ | 0 _____ | 251,000 _____ |
| December _____ | 218,000 _____ | 0 _____ | 218,000 _____ |
| Total for year _____ | 2,384,000 _____ | 0 _____ | 2,384,000 _____ |

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
December 31, 2003

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. 71
2. Maximum number of ERCs * which can be served. 94
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
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 <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

| | | | | |
|---|---|---|---|--|
| 1. <input checked="" type="checkbox"/> | 2. <input checked="" type="checkbox"/> | 3. <input checked="" type="checkbox"/> | 4. <input checked="" type="checkbox"/> |  Rodney A. Davis * (signature of chief executive officer of the utility) |
|---|---|---|---|--|

| | | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| 1. <input type="checkbox"/> | 2. <input type="checkbox"/> | 3. <input type="checkbox"/> | 4. <input type="checkbox"/> | _____ * (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.