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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS551-09-AR
Lisa Davis
Damon Utilities, Inc.
47 Lake Damon Drive
Avon Park, FL 33825-8902

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



REGISTRY OF
ECONOMIC REGULATION

10 MAY -3 AM 9:57

REGISTRY OF
ECONOMIC REGULATION
PUBLIC SERVICE
COMMISSION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2009

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 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 the 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 Economic Regulation
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 Economic Regulation, 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". (Rule 25-30.116, Florida Administrative Code)

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 W Lake Damon Dr
Avon Park, FL 33825
Mailing Address

47 W Lake Damon Dr
Avon Park FL 33825
Street Address

Highlands
County

Telephone Number 863 453-0773

Date Utility First Organized 1/23/86

Fax Number 863 453-7269

E-mail Address damonutilities@embargmail.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: Same

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

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: Lisa Davis	Off. Man.	same as above	
Person who prepared this report: Lisa Davis	"	"	
Officers and Managers: JA Harstine Rodney A Davis	Pres Sec Treas	" "	\$ \$ \$ \$ \$

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
JA Harstine Rodney A Davis	33 1/3 66 2/3	" "	\$ \$ \$ \$ \$ \$

UTILITY NAME: Damon Utilities, Inc

YEAR OF REPORT
DECEMBER 31, 2009

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 51,212	\$ 38,445	\$ -----	\$ 89,657
Commercial -----		639	1,795	-----	2,434
Industrial -----		-----	-----	-----	-----
Multiple Family -----		-----	-----	-----	-----
Guaranteed Revenues -----		-----	-----	-----	-----
Other (Specify) Shut off Late Payment		235	20	-----	255
		628	54	-----	682
Total Gross Revenue -----		\$ 52,714	\$ 40,314	\$ -----	\$ 93,028
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 70,235	\$ 35,211	\$ -----	\$ 105,446
Depreciation Expense -----	F-5	5,527	4,342	-----	9,869
CIAC Amortization Expense -----	F-8	2,632	1,238	-----	3,870
Taxes Other Than Income -----	F-7	4,216	2,217	-----	6,433
Income Taxes -----	F-7	0	0	-----	0
Total Operating Expense -----		\$ 82,610	\$ 43,008	-----	\$ 125,618
Net Operating Income (Loss)		\$ (29,896)	\$ (2,694)	-----	\$ (32,590)
Other Income:					
Nonutility Income -----		\$ -----	\$ -----	\$ -----	\$ -----
-----		-----	-----	-----	-----
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ -----	\$ -----	\$ -----	\$ -----
Interest Expense -----		415	138	-----	553
-----		-----	-----	-----	-----
-----		-----	-----	-----	-----
Net Income (Loss)		\$ (30,311)	\$ (2,832)	\$ -----	\$ (33,143)

amended 7/29/10
by Lisa Davis

UTILITY NAME: Damon Utilities Inc

YEAR OF REPORT
DECEMBER 31, 2009

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 373,718	\$ 376,287
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>252,682</u>	<u>250,392</u>
Net Utility Plant -----		\$ <u>121,036</u>	\$ <u>125,895</u>
Cash -----		<u>6364</u>	<u>3724</u>
Customer Accounts Receivable (141) -----		<u>5086</u>	<u>4549</u>
Other Assets (Specify): -----		<u>100</u>	<u>100</u>
<u>Sec Dep</u> <u>Deferred Debits</u>		<u>3349</u>	<u>1125</u>
Total Assets -----		\$ <u>135,586</u>	\$ <u>135,393</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>600</u>	<u>600</u>
Preferred Stock Issued (204) -----	F-6	<u>14400</u>	<u>14400</u>
Other Paid in Capital (211) -----		<u>(90343)</u>	<u>(57753)</u>
Retained Earnings (215) -----	F-6		
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>(75343)</u>	\$ <u>(42,753)</u>
Long Term Debt (224) -----	F-6	\$ <u>4935</u>	\$ <u>16,386</u>
Accounts Payable (231) -----		<u>16664</u>	<u>7649</u>
Notes Payable (232) -----		<u>128890</u>	<u>87251</u>
Customer Deposits (235) -----			
Accrued Taxes (236) -----			<u>4571</u>
Other Liabilities (Specify) -----			
<u>Loans Stockholders</u>		<u>7200</u>	<u>7200</u>
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>53869</u>	<u>55089</u>
Total Liabilities and Capital -----		\$ <u>126,215</u>	\$ <u>135,393</u>

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31, _____

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ 142 800	\$ 230 918	\$ _____	\$ 373 718
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 142 800	\$ 230 918	\$ _____	\$ 373 718

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ 86 089	\$ 164 303	\$ _____	\$ 250 392
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ _____	\$ _____	\$ _____	\$ _____
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ 5527	\$ (4342)	\$ _____	\$ 9869
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ 4461	\$ 3118	\$ _____	\$ 7579
Balance End of Year _____	\$ 87 155	\$ 165 527	\$ _____	\$ 252 682

Amended 7/29/10
by Lisa Davis

UTILITY NAME: Damon Utilities, Inc

YEAR OF REPORT
DECEMBER 31, 2009

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	<u>1.00</u>	_____
Shares authorized _____	<u>600.</u>	_____
Shares issued and outstanding _____	<u>600</u>	_____
Total par value of stock issued _____	<u>\$ 600.</u>	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ <u>(57,753)</u>
Changes during the year (Specify): _____ _____	_____ _____	<u>(32,590)</u>
Balance end of year _____	\$ _____	\$ <u>(90,343)</u>

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	
<u>Highlands Indendent</u>	<u>5</u>	<u>5</u>	\$ <u>4939</u>
<u>matures 5/2010</u>	_____	_____	_____
Total _____	_____	_____	\$ <u>4939</u>

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31, _____

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	909	303	_____	1212
Regulatory assessment fee _____	2372	1814	_____	4186
Other (Specify) _____	135	_____	_____	135
County Maintenance	300	100	_____	400
DEP Water Co. tax	500	_____	_____	500
Total Tax Expense _____	\$ 4216	\$ 2217	\$ _____	\$ 6433

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Damon Utilities Inc.

47 W. Lake Damon Dr.

Avon Park, FL 32825

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

YEAR OF REPORT DECEMBER 31,

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>67992</u>	\$ <u>65866</u>	\$ <u>133858</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	_____	_____
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>67992</u>	<u>65866</u>	<u>133858</u>
6) Less Accumulated Amortization _____	<u>45371</u>	<u>34618</u>	<u>79989</u>
7) Net CIAC _____	\$ <u>22621</u>	\$ <u>31248</u>	\$ <u>53869</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
<u>N/A</u>		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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.) _____			\$ <u>Ø</u>	\$ <u>Ø</u>

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>42738</u>	\$ <u>33379</u>	\$ <u>76117</u>
Add Debits During Year: _____	<u>2632</u>	<u>1238</u>	<u>3870</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>45371</u>	\$ <u>34617</u>	\$ <u>79987</u>

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

UTILITY NAME: _____

YEAR OF REPORT DECEMBER 31, _____

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	\$ _____	100.00 %		_____ %

(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: _____

Damon Utilities Inc.

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

477 W. Lake Damon Dr.

Avon Park, FL 33825

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31,

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Explain below all adjustments made in Column (e):

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**WATER
OPERATING
SECTION**

UTILITY NAME: _____

Damon Utilities Inc.
 47 W. Lake Damon Dr.
 Avon Park, FL 33825

YEAR OF REPORT DECEMBER 31,

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 6226	\$	\$	\$ 6226
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements	4718	* (62)		4656
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	6285	3977	(2983)	7279
308	Infiltration Galleries and Tunnels				
309	Supply Mains	1126			1126
310	Power Generation Equipment	12803	* (64)		12739
311	Pumping Equipment	9961	* 115		10076
320	Water Treatment Equipment	10105			10105
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Lines	54503			54503
333	Services				
334	Meters and Meter Installations	33644	* (354) ⁵⁶¹	(421)	33430
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment	1517	* (1517)		—
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	2660			2660
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 143548	\$ 2656	\$ (3404)	\$ 142800

* PSC 2008 Test Year SARC

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31,

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		2.5%	(35152)	* 1	(156)	(36702)
304	Structures and Improvements	28		3.5%	(2793)	* (55)	(172)	(3020)
305	Collecting and Impounding Reservoirs							
306	Lake, River and Other Intakes							
307	Wells and Springs	27		3.7%	(4924)	* (8)	(251)	(1638)
308	Infiltration-Cellars & Tunnels					3545		
309	Supply Mains	32		3.1%	(552)	* 2	(35)	(585)
310	Power Generating Equipment	17		5.8%	(6760)	* (63)	(749)	(7572)
311	Pumping Equipment	17		5.8%	(3692)	* 227	(592)	(4051)
320	Water Treatment Equipment	17		5.8%	(10209)	* 104		(10105)
330	Distribution Reservoirs & Standpipes							
331	Trans. & Dist. Mains	38		2.6%	(30,249)	(11)	(1933)	(31693)
333	Services							
334	Meter & Meter Installations	17			(20,066)	* (736)	(1962)	(22293)
336	Hydrants					471		
336	Backflow Prevention Devices							
339	Other Plant and Miscellaneous Equipment							
340	Office Furniture and Equipment	15			(980)	* 980		0
341	Transportation Equipment							
342	Stores Equipment							
343	Tools, Shop and Garage Equipment	15			(2349)	* 4	(177)	(2522)
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
	Totals				(86,089)	4461	(5527)	(87,155)

* This amount should tie to Sheet F-5.

* PSC Test year 2008 SARC

UTILITY NAME:

Damon Utilities Inc.
 47 W. Lake Damon Dr.
 Avon Park, FL 33825

YEAR OF REPORT
 DECEMBER 31,

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 24,649
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	6,750
604	Employee Pensions and Benefits	6,665
610	Purchased Water	
615	Purchased Power	3,462
616	Fuel for Power Production	
618	Chemicals	4,352
620	Materials and Supplies	14,650
630	Contractual Services:	
	Billing	1,125
	Professional	1,091
	Testing	6,785
	Other <u>labor</u>	5,701
640	Rents	3,000
650	Transportation Expense	2,142
655	Insurance Expense	1,315
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	340
670	Bad Debt Expense	62
675	Miscellaneous Expenses	1,331
	Total Water Operation And Maintenance Expense	\$ 70,235*

* 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	279	279	279
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
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			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	279	279

Damon Utilities Inc.
47 W. Lake Damon Dr.
Avon Park, FL 33825

UTILITY NAME: _____
SYSTEM NAME: _____

YEAR OF REPORT
DECEMBER 31, 2009

Revised 6/1/10

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	N/A	1283	86	1197	1197
February		949	103	846	846
March		1224	97	1127	1127
April		1013	86	927	927
May		1300	254	1046	1046
June		896	110	786	786
July		1050	109	941	941
August		879	117	762	762
September		890	111	779	779
October		1175	214	961	961
November		1350	283	1067	1067
December		1120	225	895	895
Total for Year		13129 <i>Estimated</i>	1795 <i>Estimated</i>	11333	11333

If water is purchased for resale, indicate the following:
Vendor _____ 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	5600	-		5600
PVC	4 in	7939	-		7939
PVC	2 in	3410	-		3410

Damon Utilities Inc.
 47 W. Lake Damon Dr.
 Avon Park, FL 33825

UTILITY NAME: _____

SYSTEM NAME: _____

YEAR OF REPORT DECEMBER 31,

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1986	1987	_____	_____
Types of Well Construction and Casing _____	Steel & Concrete	Steel & Concrete	_____	_____
Depth of Wells _____	500 FT	500 FT	_____	_____
Diameters of Wells _____	4"	4"	_____	_____
Pump - GPM _____	90	90	_____	_____
Motor - HP _____	5HP	7 1/2 HP	_____	_____
Motor Type * _____	Submers	Submers	_____	_____
Yields of Wells in GPD _____	130,000	130,000	_____	_____
Auxiliary Power _____	Generator	Generator	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Steel	Steel	_____	_____
Capacity of Tank _____	2000	2050	_____	_____
Ground or Elevated _____	Ground	Ground	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors	2009	2008	_____	_____
Manufacturer _____	Franklin	Franklin	_____	_____
Type _____	Submers	Submers	_____	_____
Rated Horsepower _____	5HP	7 1/2 HP	_____	_____
Pumps	Schaefer	Schaefer	_____	_____
Manufacturer _____	Submers	Submers	_____	_____
Type _____	90 Series	90 Series	_____	_____
Capacity in GPM _____	90	90	_____	_____
Average Number of Hours Operated Per Day _____	3-4	3-4	_____	_____
Auxiliary Power _____	Generator	Generator	_____	_____

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31,

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_ _ _	14,560 Ea	_____	_____
Type of Source_ _ _ _ _	2 deep wells	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	Wallace ETierman	_____	_____
Make_ _ _ _ _	V-100	_____	_____
Permitted Capacity (GPD)_ _	130,000	_____	_____
High service pumping		_____	_____
Gallons per minute_ _ _	NA	_____	_____
Reverse Osmosis_ _ _ _ _	NA	_____	_____
Lime Treatment		_____	_____
Unit Rating_ _ _ _ _	NA	_____	_____
Filtration		_____	_____
Pressure Sq. Ft._ _ _ _ _	NA	_____	_____
Gravity GPD/Sq.Ft._ _ _ _	NA	_____	_____
Disinfection		_____	_____
Chlorinator_ _ _ _ _	Liquid	_____	_____
Ozone_ _ _ _ _	NA	_____	_____
Other_ _ _ _ _	NA	_____	_____
Auxiliary Power_ _ _ _ _	Generator	_____	_____

UTILITY NAME: Damon Utilities Inc.
47 W. Lake Damon Dr.
SYSTEM NAME: Avon Park, FL 33825

YEAR OF REPORT
DECEMBER 31,

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. 280
2. Maximum number of ERCs * which can be served. 294
3. Present system connection capacity (in ERCs *) using existing lines. _____
4. Future connection capacity (in ERCs *) upon service area buildout. _____
5. Estimated annual increase in ERCs *. 1
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. _____
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None
9. When did the company last file a capacity analysis report with the DEP? _____
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? 6284078
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 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: Damon Utilities Inc.
47 W. Lake Damon Dr.
Avon Park, FL 33825

YEAR OF REPORT
 DECEMBER 31,

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$ 17504	\$	\$	\$ 17504
352	Franchises				
353	Land and Land Rights				
354	Structures and Improvements	2249	* 1		2250
355	Power Generation Equipment				
360	Collection Sewers - Force	17337			17337
361	Collection Sewers - Gravity	62008			62008
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells	6900	* 148		7048
371	Pumping Equipment				
380	Treatment and Disposal Equipment	5000 89406			5000 89406
381	Plant Sewers	8859	* -720		8139
382	Outfall Sewer Lines	21652			21652
389	Other Plant and Miscellaneous Equipment				
390	Office Furniture and Equipment	1250	-1250		0
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	\$ 232739	\$	\$	\$ 230918*

* This amount should tie to sheet F-5.

* PSC Test year 2608 SARC

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31, _____

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)
351	Organization				\$ (9891)	* (11)	(438)	(10340)
354	Structures and Improvements				\$ (7797)	* (23)	(83)	(885)
355	Power Generation Equipment							
360	Collection Sewers - Force				(10972)	* (17)	(64)	(11625)
361	Collection Sewers - Gravity				(27438)	* (19)	(1550)	(29007)
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations							
370	Receiving Wells				(1516)	* 419	(282)	(1379)
371	Pumping Equipment				(36)	* 36		
380	Treatment and Disposal ^{New} Old Equipment				(140)	* 195	(334)	(84474)
381	Plant Sewers				(89533)	* 1794	(255)	(4670)
382	Outfall Sewer Lines				(5709)	* (6)	(721)	(17211)
389	Other Plant and Miscellaneous Equipment				(16484)			
390	Office Furniture and Equipment							
391	Transportation Equipment				(1286)	* 1286		Ø
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment				(514)	* (41)	(38)	(593)
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Totals				\$ (164303)	\$ 3118	\$ (4342)	\$ (165527)

* This amount should tie to Sheet F-5.

* PSC Test Year 2008 SARC

UTILITY NAME: _____
Damon Utilities Inc.
47 W. Lake Damon Dr.
Avon Park, FL 33825

YEAR OF REPORT
 DECEMBER 31,

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 7362
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	2250
704	Employee Pensions and Benefits	2222
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	2380
715	Purchased Power	3916
716	Fuel for Power Production	
718	Chemicals	1739
720	Materials and Supplies	427
730	Contractual Services:	
	Billing	375
	Professional	307
	Testing	4129
	Other <i>Labor</i>	5756
740	Rents	2100
750	Transportation Expense	714
755	Insurance Expense	438
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	794
770	Bad Debt Expense	
775	Miscellaneous Expenses	902
	Total Wastewater Operation And Maintenance Expense	\$ 35211 *

* 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	99	99	99
General Service					
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			
Unmetered Customers Other (Specify)					
Total					101

** D = Displacement
 C = Compound
 T = Turbine

Damon Utilities Inc.
47 W. Lake Damon Dr.

UTILITY NAME: Avon Park, FL 33825

YEAR OF REPORT
DECEMBER 31, 2009

PUMPING EQUIPMENT

Revised 6/1/10

	1	2	3			
Lift Station Number	(2)	(2)	(2)			
Make or Type and nameplate data on pump	Barros					
Year installed	2004	1997	1989			
Rated capacity	190 GPM	117 GPM	117 GPM			
Size	23 HP	3 HP	3 HP			
Power:						
Electric						
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						
Added during year						
Retired during year						
End of year						
Give full particulars concerning inactive connections						

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches)	8 in			6 in	4 in	2 in
Type of main	PVC			PVC	PVC	PVC
Length of main (nearest foot)	3424			900	1750	2900
Beginning of year	3424			900	1750	2900
Added during year						
Retired during year						
End of year	3424			900	1750	2900

MANHOLES

Size (inches)	36 in		36 in	
Type of Manhole	Concrete			
Number of Manholes:				
Beginning of year	10		4	
Added during year				
Retired during year				
End of Year	10		4	

Damon Utilities Inc.
47 W. Lake Damon Dr.

UTILITY NAME: Avon Park, FL 33825

SYSTEM NAME: _____

YEAR OF REPORT
 DECEMBER 31, 2009

Revised 6/1/10

TREATMENT PLANT

Manufacturer _____	<u>Davea Defiance</u>	_____	_____
Type _____	<u>6131.73</u>	_____	_____
"Steel" or "Concrete" _____	<u>Concrete</u>	_____	_____
Total Permitted Capacity _____	<u>50,000 gal</u>	_____	_____
Average Daily Flow _____	<u>7294 gal</u>	_____	_____
Method of Effluent Disposal _____	<u>Drainfield</u>	_____	_____
Permitted Capacity of Disposal _____	<u>and sudge</u>	_____	_____
Total Gallons of Wastewater treated _____	<u>hauled</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>N/A</u>	_____	_____	_____	_____	_____
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 _____	<u>362,000</u>	_____	_____
February _____	<u>267,000</u>	_____	_____
March _____	<u>331,000</u>	_____	_____
April _____	<u>242,000</u>	_____	_____
May _____	<u>241,000</u>	_____	_____
June _____	<u>198,000</u>	_____	_____
July _____	<u>279,000</u>	_____	_____
August _____	<u>184,000</u>	_____	_____
September _____	<u>212,000</u>	_____	_____
October _____	<u>219,000</u>	_____	_____
November _____	<u>281,000</u>	_____	_____
December _____	<u>250,000</u>	_____	_____
Total for year _____	<u>2,797,000</u>	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Damon Utilities Inc.
SYSTEM NAME: 47 W. Lake Damon Dr.
Avon Park, FL 33825

YEAR OF REPORT
DECEMBER 31,
2009

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. 27 (using b. method to calculate)
2. Maximum number of ERCs* which can be served. 94
3. Present system connection capacity (in ERCs*) using existing lines. 179 (50,000 ÷ 280)
4. Future connection capacity (in ERCs*) upon service area buildout. 114
5. Estimated annual increase in ERCs*. 1
6. Describe any plans and estimated completion dates for any enlargements or improvements 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 # FLA 014334

* 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).

UTILITY NAME: _____

YEAR OF REPORT
DECEMBER 31, _____

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 L. Davis

(signature of Chief Executive Officer of the utility)

Date: 4/30/10

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:

For the Year Ended December 31, _____

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 51,212	\$ 51,211.53	\$.47
Commercial	639	638.93	-.07
Industrial			
Multiple Family			
Guaranteed Revenues			
Other	235 628	235 628	0 0
Total Water Operating Revenue	\$ 52,714	\$	\$
LESS: Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operating Revenues	\$ 52,714	\$ 52,713.46	\$ 40

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:

For the Year Ended December 31, _____

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 38 445	\$ 38 445 ⁴¹	\$.41
Commercial	1795	1794 ⁵⁸	-.42
Industrial			
Multiple Family			
Guaranteed Revenues			
Other	20 54	20 54	.00
Total Wastewater Operating Revenue	\$ 40314	\$	\$
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility			
Net Wastewater Operating Revenues	\$ 40314	\$ 40 313.99	\$.01

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).