

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

WS551
Damon Utilities, Inc.
47 Lake Damon Drive
Avon Park, FL 33825-8902

28

499-W 433-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1997

ORIGINAL COPY
FILED IN THE OFFICE
OF THE PUBLIC SERVICE COMMISSION
DATE 1/13/98

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-7
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-8
Contributions in Aid of Construction	F-9
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

**FINANCIAL
SECTION**

REPORT OF

Damon Utilities, Inc.

(EXACT NAME OF UTILITY)

47 Lake Damon Drive

47 Lake Damon Drive

Avon Park, FL 33825

Avon Park, FL 33825

Highlands
County

Mailing Address

Street Address

Telephone Number 941-453-0773

Date Utility First Organized 01/23/86

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: None

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Judy Fusani</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Dr. Avon Park, FL</u>	XXXXXXXXXX
Person who prepared this report: <u>Judy Fusani</u>	<u>Bookkeeper</u>	<u>47 Lake Damon Dr. Avon Park, FL</u>	XXXXXXXXXX
Officers and Managers: <u>J. A. Harstine</u>	<u>President</u>	<u>47 Lake Damon Dr.</u>	\$ <u>Ø</u>
<u>Rodney A. Davis</u>	<u>Sec/Trea</u>	<u>47 Lake Damon Dr.</u>	\$ <u>Ø</u>
<u>George R. Davis</u>	<u>Vice President</u>	<u>47 Lake Damon Dr.</u>	\$ <u>Ø</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 Dr.</u>	\$ <u>Ø</u>
<u>Rodney A. Davis</u>	<u>33 1/3%</u>	<u>47 Lake Damon Dr.</u>	\$ <u>Ø</u>
<u>George R. Davis</u>	<u>33 1/3%</u>	<u>47 Lake Damon Dr.</u>	\$ <u>Ø</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 38174	\$ 18826	\$ _____	\$ 57000
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		_____	_____	_____	_____
Total Gross Revenue -----		\$ 38174	\$ 18826	\$ _____	\$ 57000
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 22177	\$ 4415	\$ _____	\$ 26592
Depreciation Expense -----	F-5	5756	9575	_____	15331
CIAC Amortization Expense -----	F-8	1088	773	_____	1861
Taxes Other Than Income -----	F-7	1046	556	_____	1602
Income Taxes -----	F-7	Ø	Ø	_____	Ø
Total Operating Expense -----		\$ 30067	\$ 15319	\$ _____	\$ 45386
Net Operating Income (Loss)		\$ 8107	\$ 3507	\$ _____	\$ 11614
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		29590	3288	_____	32878
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Net Income (Loss)		\$ (21483)	\$ 219	\$ _____	\$ (21264)

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 338443	\$ 335648
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	149534	134203
Net Utility Plant -----		\$ 188909	\$ 201445
Cash -----		1320	2009
Customer Accounts Receivable (141) -----			
Other Assets (Specify): -----			
Security Deposit -----		100	100

Total Assets -----		\$ 190329	\$ 203554
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	600	600
Preferred Stock Issued (204) -----	F-6	14400	14400
Other Paid in Capital (211) -----	F-6	27117	50129
Retained Earnings (215) -----			
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ 42117	\$ 65129
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----			
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Loans from Stockholders -----		88619	79571

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	59593	58854
Total Liabilities and Capital -----		\$ 190329	\$ 203554

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)_____	\$ 132301	\$ 206142	\$ _____	\$ 338443
Construction Work in Progress (105)_____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant_____	\$ 132301	\$ 206142	\$ _____	\$ 338443

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 _____	\$ 38159	\$ 96044	\$ _____	\$ 134203
Add Credits During Year:				
Accruals charged to depreciation account_____	\$ 5756	\$ 9575	\$ _____	\$ 15331
Salvage_____	_____	_____	_____	_____
Other Credits (specify)_____	_____	_____	_____	_____
Total Credits_____	\$ 5756	\$ 9575	\$ _____	\$ 15331
Deduct Debits During Year:				
Book cost of plant retired_____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal_____	_____	_____	_____	_____
Other debits (specify)_____	_____	_____	_____	_____
Total Debits_____	\$ 0	\$ 0	\$ _____	\$ 0
Balance End of Year_____	\$ 43915	\$ 105619	\$ _____	\$ 149534

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	_____
Shares authorized _____	600	_____
Shares issued and outstanding _____	600	_____
Total par value of stock issued _____	600	_____
Dividends declared per share for year _____	Ø	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ 50129
Changes during the year (Specify): _____ Adjustments _____	_____	(23012)
_____	_____	_____
Balance end of year _____	\$ _____	\$ 27117

PROPRIETARY CAPITAL (218)

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

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	
_____	_____	_____	\$ _____
_____	_____	_____	_____
Total _____	_____	_____	\$ N/A

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year	\$ 905	\$ 539	\$	\$ 1444
Add Accruals charged:				
State ad valorem tax	\$	\$	\$	\$
Local property tax				
Federal income tax				
State income tax				2565
Regulatory assessment fee	1718	847		
Other (Specify)				6
Intangible Tax	5	1		
2. Total Taxes Accrued	\$ 1723	\$ 848	\$	\$ 2571
Deduct Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$
Local property tax				
Federal income tax				
State income tax				2373
Regulatory assessment fee	1546	827		
Other (Specify)				40
Intangible Tax	36	4		
3. Total Taxes Paid	\$ 1582	\$ 831	\$	\$ 2413
4. Balance end of year (1 + 2 - 3 = 4)	\$ 1046	\$ 556	\$	\$ 1602

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
None	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>40909</u>	\$ <u>30919</u>	\$ <u>71828</u>
2) Add credits during year _____	\$ <u>2600</u>	\$ <u>Ø</u>	\$ <u>2600</u>
3) Total _____	<u>43509</u>	<u>30919</u>	<u>74428</u>
4) Deduct charges during the year _____			
5) Balance end of year _____	<u>43509</u>	<u>30919</u>	<u>74428</u>
6) Less Accumulated Amortization _____	<u>10997</u>	<u>3838</u>	<u>14835</u>
7) Net CIAC _____	\$ <u>32512</u>	\$ <u>27081</u>	\$ <u>59593</u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
Sub-total _____			\$ _____	\$ <u>N/A</u>
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		
New Meter Installed	<u>4</u>	\$ <u>650</u>	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ <u>2600</u>	\$ _____

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>9909</u>	\$ <u>3065</u>	\$ <u>12974</u>
Add Credits During Year: _____	<u>1088</u>	<u>773</u>	<u>1861</u>
Deduct Debits During Year: _____	<u>Ø</u>	<u>Ø</u>	<u>Ø</u>
Balance End of Year (Must agree with line #6 above.)	\$ <u>10977</u>	\$ <u>3838</u>	\$ <u>14835</u>

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

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1997

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 %		N/A %

(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:	_____

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

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

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	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>N/A</u>

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

**WATER
OPERATING
SECTION**

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 1997

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 5658	\$ 0	\$	\$ 5658
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements	5054	0		5054
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	6285	0		6285
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	4475	1494		5969
311	Pumping Equipment	11267	673		11940
320	Water Treatment Equipment	9139	0		9139
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Lines	54554	0		54554
333	Services				
334	Meters and Meter Installations	33074	628		33702
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 129,506	\$ 2,795	\$	\$ 132,301

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	28	%	3.6	\$ 3,207	\$	\$ 182	\$ 3,389
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.7	2,118		233	2,351
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment	12	%	8.33	Ø		497	497
311	Pumping Equipment	17	%	5.9	4,803		704	5,507
320	Water Treatment Equipment	17	%	5.9	4,439		539	4,978
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	38	%	2.6	11,888		1,418	13,306
333	Services		%					
334	Meter & Meter Installations	17	%	5.9	9,837		1,988	11,825
335	Hydrants		%					
339	Other Plant and Miscellaneous Equipment		%					
340	Office Furniture and Equipment		%					
341	Transportation Equipment		%					
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%					
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Organizational Costs			3.44%	1,867	\$	195	2,062
	Totals				\$ 38,159	\$	\$ 5,756	\$ 43,915

* This amount should tie to Sheet F-5.

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
604	Employee Pensions and Benefits	_____
610	Purchased Water	4281
615	Purchased Power	_____
616	Fuel for Power Production	_____
618	Chemicals	1078
620	Materials and Supplies	_____
630	Contractual Services:	_____
	Operator and Management	2215
	Testing	_____
	Other	_____
640	Rents	_____
650	Transportation Expense	1377
655	Insurance Expense	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
670	Bad Debt Expense	13226
675	Miscellaneous Expenses	22177
	Total Water Operation And Maintenance Expense	\$ 22177

* 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	208	221	221
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			208	221	221
** D = Displacement C = Compound T = Turbine			Total		

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

SYSTEM NAME: _____

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 (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January		955.19	5	950.19	950.19
February		858.78	5	853.78	853.78
March		903.74	5	898.74	898.74
April		1016.54	5	1011.54	1011.54
May		986.26	5	981.26	981.26
June		868.83	5	863.83	863.83
July		677.13	5	672.13	672.13
August		611.10	5	606.10	606.10
September		646.52	5	641.52	641.52
October		857.17	5	852.17	852.17
November		834.12	5	829.12	829.12
December		815.91	5	810.91	810.91
Total for Year		10031.29	60	9971.29	9971.29

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	825 LF	∅	∅	825 LF
PVC	4 in	7782 LF	∅	∅	7782 LF
PVC	2 in	3410 LF	∅	∅	3410 LF
PVC	1 in	160 LF	∅	∅	160 LF

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

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>130000</u>	<u>130000</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>2000</u>	<u>2000</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>2½</u>	<u>2½</u>	_____	_____
Auxiliary Power _____	<u>N/A</u>	<u>N/A</u>	_____	_____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source	<u>14,560 Each</u>		
Type of Source	<u>2 Deep Wells</u>		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type	<u>Wallace & Tierman</u>		
Make	<u>V-100</u>		
Gals. per day capacity	<u>130,000</u>		
High service pumping	<u>N/A</u>		
Gallons per minute	<u>N/A</u>		
Reverse Osmosis	<u>N/A</u>		
Lime Treatment			
Unit Rating	<u>N/A</u>		
Filtration			
Pressure Sq. Ft.	<u>N/A</u>		
Gravity GPD/Sq.Ft.	<u>N/A</u>		
Disinfection			
Chlorinator	<u>Gas</u>		
Ozone	<u>N/A</u>		
Other	<u>N/A</u>		
Auxiliary Power	<u>N/A</u>		

OTHER WATER SYSTEM INFORMATION

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

- Present ERCs * now being served 78.05
- Maximum ERCs ** that system can efficiently serve 371
- Present system connection capacity (in ERC's) using existing lines _____
- Future connection capacity (in ERC's) upon service area buildout _____
- Estimated annual increase in ERCs * -5.15
- List fire fighting facilities and capacities (including number of fire hydrants) _____
2 @ 150 GPM
- List percent of certificated area where service connections are installed (total for each county) _____
- What is the current need for system upgrading and/or expansion?
Upgrading NO Expansion YES
- What are plans for future system upgrading and/or expansion?
some increase in lines
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)
yes
- Has an application for a construction permit been filed with the DEP? (if so, explain) _____
no
- Department of Environmental Protection ID # _____
Water Management District ID # _____

* ERC = (Total Gallons Sold / 365 days) / 350 Gallons Per Day
** Total Plant Capacity / 350 gallons

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$ 17504	\$ 0	\$ 0	\$ 17504
352	Franchises				
353	Land and Land Rights				2774
354	Structures and Improvements	2774	0	0	26969
360	Collection Sewers - Force	28969	0	0	43539
361	Collection Sewers - Gravity	43539	0	0	
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				1642
370	Receiving Wells	1642	0	0	
371	Pumping Equipment				
380	Treatment and Disposal Equipment	90981	0	0	90981
381	Plant Sewers	7750	0	0	7750
382	Outfall Sewer Lines	12983	0	0	12983
389	Other Plant and Miscellaneous Equipment				
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 206142	\$ 0	\$ 0	\$ 206142 *

* This amount should tie to sheet F-5.

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	27	%	3.7	\$ 8909	\$	\$ 103	\$ 9012
360	Collection Sewers - Force	27	%	3.7	3374		1072	4446
361	Collection Sewers - Gravity	40	%	2.5	10871		1088	11959
362	Special Collecting Structures		%					
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells	15	%	6.7	823		110	933
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment	15	%	6.7	59142		6096	65238
381	Plant Sewers	32	%	3.1	2400		240	2640
382	Outfall Sewer Lines	30	%	3.2	6321		428	6749
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%					
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%	2.5	4204		438	4642
	Organizational Costs							
	Totals				\$ 96044	\$ 0	\$ 9575	\$ 105619 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
704	Employee Pensions and Benefits	_____
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	_____
715	Purchased Power	476
716	Fuel for Power Production	_____
718	Chemicals	120
720	Materials and Supplies	_____
730	Contractual Services:	
	Operator and Management	_____
	Testing	2214
	Other	_____
740	Rents	_____
750	Transportation Expense	_____
755	Insurance Expense	153
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
770	Bad Debt Expense	1452
775	Miscellaneous Expenses	_____
	Total Wastewater Operation And Maintenance Expense	\$ 4415

* 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	74	77	77
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	74	77

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	190GPM	117GPM	117GPM			
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	77					
Beginning of year	74					
Added during year	3					
Retired during year	0					
End of year	77					
Give full particulars concerning inactive connections	0					

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches)	8 in	4 in	8 in		6 in	3 in	4 in	
Type of main	PVC	PVC	PVC		PVC	PVC	PVC	
Length of main (nearest foot)	2814	30	1100		900	3450	1600	
Beginning of year	2814	30	1100		900	3450	1600	
Added during year	0	0	0		0	0	0	
Retired during year	0	0	0		0	0	0	
End of year	2814	30	1100		900	3450	1600	

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.

YEAR OF REPORT
DECEMBER 31, 1997

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	<u>Davco Defiance</u>	_____	_____
Type _____	<u>6131.73</u>	_____	_____
"Steel" or "Concrete" _____	<u>Concrete</u>	_____	_____
Total Capacity _____	<u>50,000 gal</u>	_____	_____
Average Daily Flow _____	<u>7391 gal</u>	_____	_____
Effluent Disposal _____	<u>Drainfield</u>	_____	_____
Total Gallons of Wastewater treated _____	<u>2,697,610</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	_____	_____	_____	_____	_____
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>249,600</u>	<u>∅</u>	<u>249,600</u>
February _____	<u>262,630</u>	<u>∅</u>	<u>262,630</u>
March _____	<u>278,109</u>	<u>∅</u>	<u>278,109</u>
April _____	<u>260,030</u>	<u>∅</u>	<u>260,030</u>
May _____	<u>206,210</u>	<u>∅</u>	<u>206,210</u>
June _____	<u>174,370</u>	<u>∅</u>	<u>174,370</u>
July _____	<u>170,820</u>	<u>∅</u>	<u>170,820</u>
August _____	<u>171,470</u>	<u>∅</u>	<u>171,470</u>
September _____	<u>224,800</u>	<u>∅</u>	<u>224,800</u>
October _____	<u>217,940</u>	<u>∅</u>	<u>217,940</u>
November _____	<u>230,790</u>	<u>∅</u>	<u>230,790</u>
December _____	<u>250,760</u>	<u>∅</u>	<u>250,760</u>
Total for year _____	<u>2,697,610</u>	<u>∅</u>	<u>2,967,610</u>

If Wastewater Treatment is purchased, indicate the vendor: _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 1997

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 ERCs * now being served 26.40
2. Maximum ERCs ** that system can efficiently serve 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 * -1.34
6. State any plans and estimated completion dates for any enlargements of this system. _____
None
7. List percent of certificated area where service connections are installed (total for each county) _____
8. If present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DEP's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP? _____
 - d. Do they concur? _____
 - e. When will construction begin? _____
9. Do you discharge effluent to surface waters? _____
10. Department of Environmental Protection ID # _____
Water Management District ID # _____

* $ERC = (Total\ Gallons\ Treated / 365\ days) / 280\ Gallons\ Per\ Day$

Note: Total Gallons Treated includes both Wastewater treated and Purchased Wastewater Treatment.

** Total Plant Capacity / 280 gallons

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.


(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 officer. 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.