

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

WU383-04-AR
W. Larry O'Steen
Neighborhood Utilities, Inc.
300 West Adams Street, Suite 540
Jacksonville, FL 32202-4343

Submitted To The
STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2004

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FINANCIAL SECTION

REPORT OF

NEIGHBORHOOD UTILITIES, INC.

(EXACT NAME OF UTILITY)

300 W. Adams St. Ste. 540 Jacksonville FL 32202	300 W. Adams St. Ste. 540 Jacksonville FL 32202
Mailing Address	Street Address County

Telephone Number 904/350-9824 Date Utility First Organized 9/28/1984
 Fax Number 904/356-1520 E-mail Address N/A

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: Neighborhood Utilities, Inc., 300 W. Adams St. Ste. 540, Jacksonville FL 32202

Name of subdivisions where services are provided: Victoria Forest Unit I & II, Timber Creek Unit I, Clayton Communities Estate 572

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: W. Larry O'Steen	President/Owner	300 W. Adams St. Ste. 540 Jacksonville FL 32202	
Person who prepared this report: W. Larry O'Steen	President/Owner	300 W. Adams St. Ste. 540 Jacksonville FL 32202	
Officers and Managers: W. Larry O'Steen	President/Owner	300 W. Adams St. Ste. 540 Jacksonville FL 32202	\$ 18,000
Dorothy O'Steen	Vice President		\$ 0
Tara S. O'Steen-Mebane	Vice President		\$ 0
			\$
			\$

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
W. Larry O'Steen	100%	300 W. Adams St. Ste. 540 Jacksonville FL 32202	\$ 18,000
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 60,215	\$ _____	\$ _____	\$ 60,215
Commercial_____		1,319	_____	_____	1,319
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 61,534	\$ _____	\$ _____	\$ 61,534
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 73,110	\$ _____	\$ _____	\$ 73,110
Depreciation Expense_____	F-5	12,960	_____	_____	12,960
CIAC Amortization Expense_____	F-8	(24,409)	_____	_____	(24,409)
Taxes Other Than Income_____	F-7	13,010	_____	_____	13,010
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 74,671	_____	_____	\$ 74,671
Net Operating Income (Loss)		\$ (13,137)	\$ _____	\$ _____	\$ (13,137)
Other Income:					
Nonutility Income_____		\$ (506)	\$ _____	\$ _____	\$ (506)
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		8,204	_____	_____	8,204
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (21,847)	\$ _____	\$ _____	\$ (21,847)

UTILITY NAME: Neighborhood Utilities, Inc.

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COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ 486,073	\$ 485,758
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	(312,401)	(299,441)
Net Utility Plant _____		\$ 173,672	\$ 186,317
Cash _____		4,717	(2,774)
Customer Accounts Receivable (141) _____		560	560
Other Assets (Specify): _____			

Total Assets _____		\$ 178,959	\$ 184,103
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	200	200
Preferred Stock Issued (204) _____	F-6	19,800	19,800
Other Paid in Capital (211) _____		(362,343)	(340,496)
Retained Earnings (215) _____	F-6		
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		\$ (342,343)	\$ (320,496)
Long Term Debt (224) _____	F-6	\$	\$
Accounts Payable (231) _____		45,792	40,754
Notes Payable (232) _____		103,798	102,457
Customer Deposits (235) _____		7,723	6,553
Accrued Taxes (236) _____		90,850	81,497
Other Liabilities (Specify) _____			

Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	273,139	273,338
Total Liabilities and Capital _____		\$ 178,959	\$ 184,103

UTILITY NAME: Neighborhood Utilities, Inc.

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GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 486,073	\$ _____	\$ _____	\$ 486,073
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 486,073	\$ _____	\$ _____	\$ 486,073

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 299,441	\$ _____	\$ _____	\$ 299,441
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 12,960	\$ _____	\$ _____	\$ 12,960
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ 12,960	\$ _____	\$ _____	\$ 12,960
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 312,401	\$ _____	\$ _____	\$ 312,401

UTILITY NAME: Neighborhood Utilities, Inc.

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CAPITAL STOCK (201 - 204)

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

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (340,496)
Changes during the year (Specify):		(21,847)
Net Income/Loss _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (362,343)

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	
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

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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 _____	100	_____	_____	100
Local property tax _____	9,353	_____	_____	9,353
Regulatory assessment fee _____	2,769	_____	_____	2,769
Other (Specify) _____	_____	_____	_____	_____
Occupational License Fee _____	788	_____	_____	788
Total Tax Expense _____	\$ 13,010	\$ _____	\$ _____	\$ 13,010

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar 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
Judith W. Stone	\$ 4,404	\$ _____	Office Mgmt/Billing _____
U.S. Water Services Corp.	\$ 16,683	\$ _____	Plant Operation _____
W. Larry O'Steen	\$ 3,960	\$ _____	Generator Lease _____
W. Larry O'Steen	\$ 18,000	\$ _____	Management Fees _____
C.R. Wintz, CPA	\$ 2,714	\$ _____	Accounting Fees _____
J. Lucas & Associates	\$ 1,156	\$ _____	Engineering Fees _____
Frederick R. Brock, Esq.	\$ 0	\$ _____	Legal Fees _____
Pumping Solutions	\$ 9,393	\$ _____	Plant Operation _____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

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CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>586,010</u>	\$ _____	\$ <u>586,010</u>
2) Add credits during year _____	\$ <u>24,210</u>	\$ _____	\$ <u>24,210</u>
3) Total _____	<u>610,220</u>	_____	<u>610,220</u>
4) Deduct charges during the year _____	<u>610,220</u>	_____	<u>610,220</u>
5) Balance end of year _____	<u>337,081</u>	_____	<u>337,081</u>
6) Less Accumulated Amortization _____	<u>337,081</u>	_____	<u>337,081</u>
7) Net CIAC _____	\$ <u>273,139</u>	\$ _____	\$ <u>372,139</u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
Sub-total _____			\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
Meter Install	3	\$ 90.00	\$ 270.00	\$ _____
Plant Capacity	57	420.00	23,940.00	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ <u>24,210.00</u>	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ <u>312,672</u>	\$ _____	\$ <u>312,672</u>
Add Debits During Year: _____	<u>24,409</u>	_____	<u>24,409</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ <u>337,081</u>	\$ _____	\$ <u>337,081</u>

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

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2004

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	\$ <u>N/A</u>	<u> </u> %	<u> </u> %	<u> </u> %
Preferred Stock	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Long Term Debt	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Customer Deposits	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Tax Credits - Zero Cost	<u> </u>	<u> </u> %	0.00 %	<u> </u> %
Tax Credits - Weighted Cost	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Deferred Income Taxes	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Other (Explain)	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Total	\$ <u> </u>	<u>100.00</u> %		<u> </u> %

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

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: <u> </u> % Commission Order Number approving AFUDC rate: <u> </u>
--

UTILITY NAME: Neighborhood Utilities, Inc.

SCHEDULE "B"

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	\$ N/A	\$	\$	\$	\$
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits-Zero Cost					
Tax Credits-Weighted					
Cost of Capital					
Deferred Income Taxes					
Other (Explain)					
Total	\$	\$	\$	\$	\$

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WATER OPERATING SECTION

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
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WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____	243	_____	_____	243
303	Land and Land Rights_____	1,000	_____	_____	1,000
304	Structures and Improvements_____	6,922	_____	_____	6,922
305	Collecting and Impounding Reservoirs_____	96,940	_____	_____	96,940
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	37,693	_____	_____	37,693
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	_____	_____	_____	_____
310	Power Generation Equipment_____	_____	_____	_____	54,498
311	Pumping Equipment_____	54,498	_____	_____	23,225
320	Water Treatment Equipment_____	23,225	_____	_____	_____
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	183,199	_____	_____	183,299
333	Services_____	14,312	_____	_____	14,312
334	Meters and Meter Installations_____	27,342	315	_____	27,657
335	Hydrants_____	26,463	_____	_____	26,463
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	13,921	_____	_____	13,921
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_____	\$ 485,758	\$ 315	\$ _____	\$ 486,073

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
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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	%	3.54%	\$ 5,247	\$	\$ 245	\$ 5,492
305	Collecting and Impounding Reservoirs	28	%	3.57%	62,380		3,461	65,841
306	Lake, River and Other Intakes	27	%	4.70%	28,004		1,772	29,776
307	Wells and Springs		%					
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	15	%	6.67%	54,498			54,498
320	Water Treatment Equipment	17	%	5.88%	23,225			23,225
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	38	%	2.63%	78,136		4,818	82,954
333	Services	28	%	2.63%	7,404		376	7,780
334	Meter & Meter Installations	17	%	5.88%	15,889		1,626	17,515
335	Hydrants	40	%	2.50%	10,737		662	11,399
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment	15	%	6.70%	13,921			13,921
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		%					
	Totals				\$ 299,441	\$	\$ 12,960	\$ 312,401 *

* This amount should tie to Sheet F-5.

UTILITY NAME: Neighborhood Utilities, Inc.

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WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	18,000
604	Employee Pensions and Benefits	
610	Purchased Water	3,675
615	Purchased Power	
616	Fuel for Power Production	3,278
618	Chemicals	7,389
620	Materials and Supplies	
630	Contractual Services:	4,404
	Billing	825
	Professional	1,077
	Testing	20,241
	Other	7,836
640	Rents	
650	Transportation Expense	4,802
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	1,107
675	Miscellaneous Expenses	476
	Total Water Operation And Maintenance Expense	\$ 73,110 *

* 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	321	324	324
3/4"	D	1.5	1	1	2.5
1"	D	2.5	2	2	10
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)					
Total			324	327	336.5

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Neighborhood Utilities, Inc.

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SYSTEM NAME: Neighborhood Utilities, Inc.

PUMPING AND PURCHASED WATER STATISTICS

	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
(a)	(b)	(c)	(d)	(e)	(f)
January_____	_____	1903	_____	1903	_____
February_____	_____	1650	_____	1650	_____
March_____	_____	2033	_____	2033	5288
April_____	_____	2778	_____	2778	_____
May_____	_____	3317	_____	3317	_____
June_____	_____	2543	_____	2543	7480
July_____	_____	2781	_____	2781	_____
August_____	_____	3370	_____	3370	_____
September_____	_____	2326	_____	2326	6484
October_____	_____	2257	_____	2257	_____
November_____	_____	2293	_____	2293	_____
December_____	_____	2487	_____	2487	6090
Total for Year_____	_____	29738	_____	29738	25342

If water is purchased for resale, indicate the following:

Vendor_____

Point of delivery_____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	10"	280'	_____	_____	280'
PVC	8"	11,450'	_____	_____	11,450'
PVC	6"	1,300'	_____	_____	1,300'
PVC	4"	1,460'	_____	_____	1,460'
PVC	2"	2,910'	_____	_____	2,910'
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
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SYSTEM NAME: Neighborhood Utilities, Inc.

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed_____	<u>1982</u>	<u>1986</u>	_____	_____
Types of Well Construction and Casing_____	<u>Drilled/Casings</u>	<u>Blk Steel</u>	_____	_____
_____	_____	_____	_____	_____
Depth of Wells_____	<u>600'</u>	<u>1,000'</u>	_____	_____
Diameters of Wells_____	<u>4 x 3</u>	<u>12 x 8</u>	_____	_____
Pump - GPM_____	<u>90</u>	<u>350</u>	_____	_____
Motor - HP_____	<u>5</u>	<u>10</u>	_____	_____
Motor Type *_____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD_____	<u>140,000</u>	<u>540,000</u>	_____	_____
Auxiliary Power_____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	<u>Pneumatic</u>	<u>Steel</u>	<u>Steel</u>	_____
Capacity of Tank_____	<u>2,000 gals</u>	<u>20,000 gals</u>	<u>40,000 gals</u>	_____
Ground or Elevated_____	<u>Ground</u>	<u>Ground</u>	<u>Ground</u>	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer_____	<u>Marathon</u>	<u>Peerless</u>	<u>Peerless</u>	_____
Type_____	<u>3-Phase</u>	<u>3-Phase</u>	<u>3-Phase</u>	_____
Rated Horsepower_____	<u>10 hp</u>	<u>15 hp</u>	<u>20 hp</u>	_____
<u>Pumps</u>				
Manufacturer_____	<u>Marathon</u>	<u>Peerless</u>	<u>Peerless</u>	_____
Type_____	<u>Series C</u>	<u>Series C</u>	<u>Series C</u>	_____
Capacity in GPM_____	_____	_____	_____	_____
Average Number of Hours Operated Per Day_____	_____	_____	_____	_____
Auxiliary Power_____	<u>60 Kw Gen</u>	<u>60 Kw Gen</u>	<u>60 Kw Gen</u>	_____

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2004

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_ _ _ _	<u>140,000</u>	<u>540,000</u>	
Type of Source_ _ _ _ _	<u>Well#1</u>	<u>Well#2</u>	

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	<u>Steel Ground Storage</u>	<u>Steel Ground Storage</u>	
Make_ _ _ _ _	<u>w/Aerator</u>	<u>w/Aerator</u>	
Permitted Capacity (GPD)_ _	<u>Custom Built</u>	<u>Custom Built</u>	
High service pumping	<u>130.000</u>	<u>130,000</u>	
Gallons per minute_ _ _	<u>Flow Meter</u>	<u>Flow Meter</u>	
Reverse Osmosis_ _ _ _ _	<u>100</u>	<u>500</u>	
Lime Treatment			
Unit Rating_ _ _ _ _			
Filtration			
Pressure Sq. Ft._ _ _ _ _			
Gravity GPD/Sq.Ft._ _ _ _			
Disinfection			
Chlorinator_ _ _ _ _	<u>Yes</u>	<u>Yes</u>	
Ozone_ _ _ _ _	<u>No</u>	<u>No</u>	
Other_ _ _ _ _	<u>No</u>	<u>No</u>	
Auxiliary Power_ _ _ _ _	<u>60 Kw Diesel Gen</u>	<u>60 Kw Diesel Gen</u>	

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2004

SYSTEM NAME: Neighborhood Utilities, Inc.

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. 686
2. Maximum number of ERCs * which can be served. 1,057
3. Present system connection capacity (in ERCs *) using existing lines. 686
4. Future connection capacity (in ERCs *) upon service area buildout. 371
5. Estimated annual increase in ERCs *. 70
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 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.
New subdivision - Cherokee Cove: Estimate 110 new homes, 2005-2006
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 # _____
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? Yes.
 - b. If not, what are the utility's plans to gain compliance? _____

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

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of 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/350 gallons per day).

WASTEWATER OPERATING SECTION

DOES NOT APPLY TO NEIGHBORHOOD UTILITIES, INC. - WATER ONLY UTILITY

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2004

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 ☐

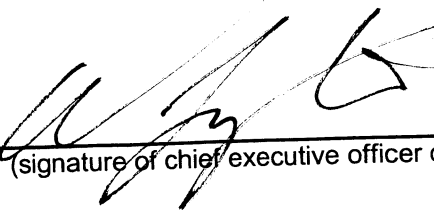
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

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) *

Date: 4/30/2005

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, 2004

(a)	(b) Gross Water Revenues Per Sch. F-3	(c) Gross Water Revenues Per RAF Return	(d) Difference (b) - (c)
Accounts			
Gross Revenue:			
Residential	\$ 60,215	\$ 60,123	\$ 92
Commercial	1,319	782	537
Industrial			
Multiple Family			
Guaranteed Revenues			
Other			
Total Water Operating Revenue	\$ 61,534	\$ 60,905	\$ 629
LESS: Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operating Revenues	\$ 61,534	\$ 60,905	\$ 629

Explanations:

Apparent overstatement of revenues on Schedule F-3.

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).