

OFFICIAL COPY

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES  
(Gross Revenue of More Than \$200,000 Each)

# ANNUAL REPORT

OF

WU385-02-AR

**Windstream Utilities Company**

Exact Legal Name of Respondent

**427-W**

Certificate Numbers

Submitted To The

STATE OF FLORIDA



03 APR 29 AM 9:39  
ECONOMIC REGULATION  
PUBLIC SERVICE

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

*Cronin, Jackson, Nixon & Wilson*  
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.  
CHRISTINE R. CHRISTIAN, C.P.A.  
JOHN H. CRONIN, JR., C.P.A.  
ROBERT H. JACKSON, C.P.A.  
ROBERT C. NIXON, C.P.A.  
JEANETTE SUNG, C.P.A.  
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April 21, 2003

Officers and Directors  
Windstream Utilities Company

We have compiled the 2002 Annual Report of Windstream Utilities Company in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Windstream Utilities Company. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

*Cronin, Jackson, Nixon & Wilson*

CRONIN, JACKSON, NIXON & WILSON

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class A & B**

**Company: Windstream Utilities Company**

**For the Year Ended December 31, 2002**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	337,764	337,764	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	3,220	3,220	-
<b>Total Water Operating Revenue</b>	<b>\$ 340,984</b>	<b>\$ 340,984</b>	<b>\$ -</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Water Operating Revenues</b>	<b>\$ 340,984</b>	<b>\$ 340,984</b>	<b>\$ -</b>

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).

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**EXECUTIVE**

**SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

<b>YEAR OF REPORT</b> December 31, 2002
--

UTILITY NAME: Windstream Utilities Company

I HEREBY CERTIFY, to the best of my knowledge and belief:

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 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. |

<u>Items Certified</u>			
1. ( X )	2. ( X )	3. ( X )	4. ( X )

  
 \_\_\_\_\_  
 (signature of the chief executive officer of the utility) \*

1. ( )	2. ( )	3. ( )	4. ( )
-----------	-----------	-----------	-----------

\_\_\_\_\_  
 N/A  
 (signature of the chief financial officer of the utility) \*

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

**NOTICE:** Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT December 31, 2002
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Windstream Utilities Company  
 (Exact Name of Utility)

County: Marion

List below the exact mailing address of the utility for which normal correspondence should be sent:

P.O. Box 4201  
 Ocala, Florida 34478-4201

Telephone: ( 352 ) 620-8290

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon, CPA  
 Cronin, Jackson, Nixon & Wilson, CPA's, PA  
 2560 Gulf-to-Bay Blvd, Suite 200  
 Clearwater, Florida 34625

Telephone: ( 727 ) 791-4020

List below the address of where the utility's books and records are located:

3002 NW 10th Street  
 Ocala, Florida

Telephone: ( 352 ) 620-8290

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 03/22/84

Check the appropriate business entity of the utility as filed with the Internal Revenue Service:

Individual     
  Partnership     
  Sub S Corporation     
  1120 Corporation

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

	Name	Percent Ownership	
1.	Sharon Dlouhy	60.0	%
2.	L.E. Dlouhy	40.0	%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%



UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2002
--

**DIRECTORY OF PERSONNEL WHO CONTACT  
THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>NAME OF COMPANY REPRESENTATIVE (1)</b>	<b>TITLE OR POSITION (2)</b>	<b>ORGANIZATIONAL UNIT TITLE (3)</b>	<b>USUAL PURPOSE FOR CONTACT WITH FPSC</b>
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's	Accounting & rate matters
F. Marshall Deterding	Attorney	Rose, Sundstrom & Bentley	Legal matters
Sharon Dlouhy	Officer	Windstream Utilities	All matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

**UTILITY NAME:** Windstream Utilities Company

**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

- (A) The Utility was organized March 22, 1984 to provide water service to the Windstream Development. The Utility has experienced customer growth from other developments since its organization.
- (B) Water service only.
- (C) The Utility's goals are to provide quality water service and earn a fair return on its investment in Plant in Service.
- (D) Water service only.
- (E) The projected growth rate is approximately 40 additional ERC's per year. Service area is approaching build-out.
- (F) None

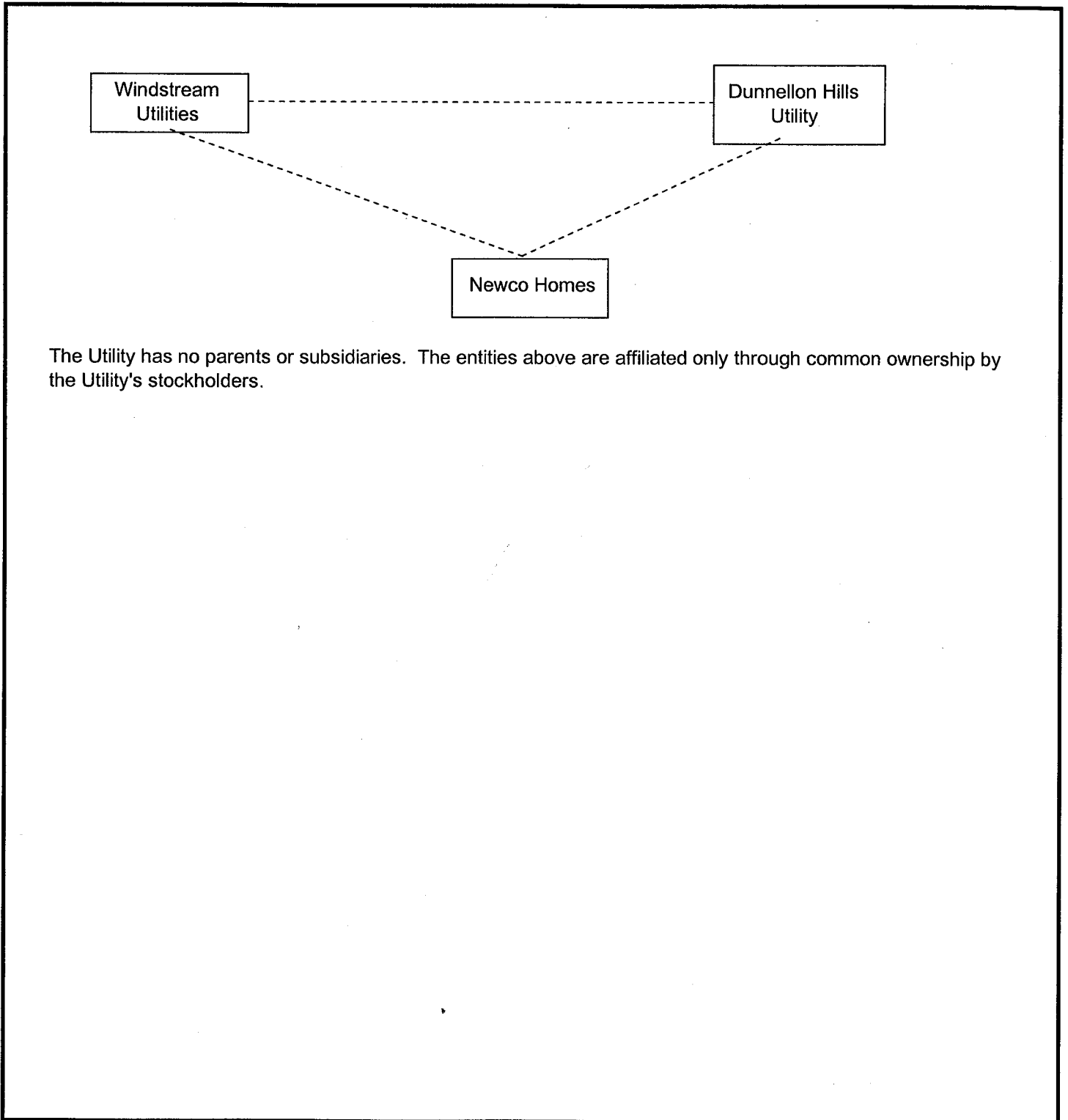
UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2002

**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of 12/31/02

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).



The Utility has no parents or subsidiaries. The entities above are affiliated only through common ownership by the Utility's stockholders.

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2002
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**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
Sharon Dlouhy L.E. Dlouhy	President	90 %	\$ 73,800
	Vice President	40 %	\$ None
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Sharon Dlouhy L.E. Dlouhy	President	1	\$ None
	Vice President	1	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2002
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**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, and other business arrangements\* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on Page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

<b>NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)</b>	<b>IDENTIFICATION OF SERVICE OR PRODUCT (b)</b>	<b>AMOUNT (c)</b>	<b>NAME AND ADDRESS OF AFFILIATED ENTITY (d)</b>
L.E. Dlouhy	Field labor, plants operations Construction contract negotiation and supervision, field repairs and maintenance	\$ 4,250 / mo	Newco Homes 3002 NW 10th Street Ocala, Florida
Sharon & LE Dlouhy	Office Building	960 / mo	3002 NW 10th Street Ocala, Florida

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Windstream Utilities Company

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principal occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
L.E. Dlouhy	Development	Officer	Newco Homes
Sharon Dlouhy	Mangement	Officer	Newco Homes

UTILITY NAME: Windstream Utilities Company

**BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2002
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

**Part I. Specific Instructions: Services and Products Received or Provided**

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
  - management, legal and accounting services
  - computer services
  - engineering & construction services
  - repairing and servicing of equipment
  - material and supplies furnished
  - leasing of structures, land and equipment
  - rental transactions
  - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Newco Homes	Field labor, plants operations Construction contract negotiation and supervision, field repairs and maintenance	1984 - Open	P	\$ 51,000
S & LE Dlouhy	Office rent	1984 - Open	p	11,520



UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2002
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

**Part II. Specific Instructions: Sale, Purchase and Transfer of Assets**

- |  |   |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> <li>- purchase, sale or transfer of equipment.</li> <li>- purchase, sale or transfer of land and structures.</li> <li>- purchase, sale or transfer of securities.</li> <li>- noncash transfers of assets.</li> <li>- noncash dividends other than stock dividends.</li> <li>- writeoff of bad debts or loans.</li> </ul> | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> <li>(a) Enter name of related party or company.</li> <li>(b) Describe briefly the type of assets purchased, sold or transferred.</li> <li>(c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".</li> <li>(d) Enter the net book value for each item reported.</li> <li>(e) Enter the net profit or loss for each item (column (c) - column (d)).</li> <li>(f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.</li> </ul> |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

**FINANCIAL**

**SECTION**

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 996,180	\$ 867,633
108-110	Less: Accumulated Depreciation and Amortization	F-8	(251,104)	(208,866)
Net Plant			745,076	658,767
114-115	Utility Plant Acquisition Adjustments (Net)	F-7	(6,282)	(8,658)
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			738,794	650,109
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		38,928	38,141
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	12,233	8,802
145	Accounts Receivable from Associated Companies	F-12	64,108	70,821
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		1,250	1,250
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	1,398	1,398
Total Current and Accrued Assets			117,917	120,412

\* Not Applicable for Class B Utilities

UTILITY NAME: Windstream Utilities Company

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	<b>DEFERRED DEBITS</b>			
181	Unamortized Debt Discount & Expense	F-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14		
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits				
<b>TOTAL ASSETS AND OTHER DEBITS</b>			\$ 856,711	\$ 770,521

\* Not Applicable for Class B Utilities

**NOTES TO THE BALANCE SHEET**

The space below is provided for important notes regarding the balance sheet.

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 1,000	\$ 1,000
204	Preferred Stock Issued	F-15		
202,205*	Capital Stock Subscribed			
203,206*	Capital Stock Liability for Conversion			
207*	Premium on Capital Stock			
209*	Reduction in Par or Stated Value of Capital Stock			
210*	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-in Capital			
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(23,787)	(52,860)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			(22,787)	(51,860)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	31,973	(3,215)
Total Long Term Debt			31,973	(3,215)
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		27,396	29,697
232	Notes Payable	F-18		14,334
233	Accounts Payable to Associated Co.	F-18	215,837	187,706
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		12,515	9,025
236	Accrued Taxes		33,672	11,149
237	Accrued Interest	F-19		548
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	3,540	5,968
Total Current and Accrued Liabilities			292,960	258,427

\* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20	98,633	157,113
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			98,633	157,113
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	588,968	519,844
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(133,036)	(109,788)
Total Net C.I.A.C.			455,932	410,056
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<b>\$ 856,711</b>	<b>\$ 770,521</b>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 290,974	\$ 340,984
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			290,974	340,984
401	Operating Expenses	F-3(b)	231,773	253,826
403	Depreciation Expense	F-3(b)	30,707	42,239
	Less: Amortization of CIAC	F-22	(17,045)	(23,247)
Net Depreciation Expense			13,662	18,992
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	24,626	25,920
409	Current Income Taxes	W/S-3		19,719
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			270,061	318,457
Net Utility Operating Income			20,913	22,527
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			5,088
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			20,913	27,615

\* For each account, column e should agree with columns f, g + h on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 340,984 N/A		N/A
340,984	-	-
253,826		
42,239 (23,247)		
18,992	-	-
25,920 19,719		
318,457		
22,527	N/A	
5,088		
27,615		N/A

\* Total of Schedules W-3/S-3 for all rate groups



**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 20,913	\$ 27,615
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		853	1,102
421	Miscellaneous Nonutility Revenue		3,497	5,855
426	Miscellaneous Nonutility Expenses		(2,040)	(2,200)
Total Other Income and Deductions			2,310	4,757
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income			
409.20	Income Taxes			3,040
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income				3,040
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	606	259
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			606	259
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
<b>NET INCOME</b>			<b>22,617</b>	<b>29,073</b>

Explain Extraordinary Income:

UTILITY NAME: Windstream Utilities Company

**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 980,765	N/A
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(251,104)	
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(588,968)	
252	Advances for Construction	F-20		
Subtotal			140,693	
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	133,036	
Subtotal			273,729	
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		31,728	
	Other (Specify):		-	-
RATE BASE			\$ 305,457	\$ -
NET UTILITY OPERATING INCOME			\$ 22,527	\$ -
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			7.37 %	-- %

**NOTES:**

- (1) Estimated if not known.
  - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
  - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.



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 SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (g)
Common Equity	\$ (22,787)	\$ -	\$ -	\$ -	\$ 22,787	\$ -
Preferred Stock	-					-
Long Term Debt	31,973					31,973
Customer Deposits	12,515					12,515
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Income Taxes						
Other (Explain):						
Notes Payable - Assoc Co	-					-
Total	\$ 21,701	\$ -	\$ -	\$ -	\$ 22,787	\$ 44,488

(1) Explain below all adjustments made in Columns (e) and (f)

Adjustment to remove negative equity

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2002

**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 980,765		N/A	\$ 980,765
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	15,415			15,415
106	Completed Construction Not Classified				
Total Utility Plant		\$ 996,180		N/A	\$ 996,180

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment Sun Country Estates	\$ (16,629.00)	N/A	N/A	\$ (16,629.00)
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ (16,629)	\$ -	\$ -	\$ (16,629)
115	Accumulated Amortization Sun Country Estates	\$ 10,347		\$ -	\$ 10,347
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ 10,347	\$ -	\$ -	\$ 10,347
Total Acquisition Adjustments		\$ (6,282)	\$ -	\$ -	\$ (6,282)

**ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 208,866		N/A	\$ 208,866
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	42,239			42,239
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
_____				
_____				
Salvage				
Other Credits (specify) :				
_____				
_____				
Total credits	42,239			42,239
Debits during year:				
Book cost of plant retired	-	-		
Cost of removal				
Other debits (specify)				
_____				
_____				
Total debits				
Balance end of year	\$ 251,105	N/A	N/A	\$ 251,105

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
to Account 110.2 (2)				
Other Accounts (specify):				
_____				
_____				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
_____				
_____				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCTS. 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.  
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

**SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

**UTILITY NAME:** Windstream Utilities Company

**INVESTMENTS AND SPECIAL FUNDS**  
**ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
<b>Total Investment In Associated Companies</b>		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
<b>Total Utility Investments</b>		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
<b>Total Other Investments</b>		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
<b>Total Special Funds</b>		\$ -



**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 11,758	
Wastewater		
Other	475	
Total Customer Accounts Receivable		\$ 12,233
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
_____	\$ -	
_____		
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
_____	\$ -	
_____		
Total Notes Receivable		
Total Accounts and Notes Receivable		12,233
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ 12,233

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
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**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
Newco Homes	\$ 64,108
Total	\$ 64,108

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS  
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Surety bond	\$ 1,048
Utility deposit	350
Total	\$ 1,398



UTILITY NAME: Windstream Utilities Company

**MISCELLANEOUS DEFERRED DEBITS**  
**ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): None	\$ -	\$ -
Total Other Deferred Debits	NONE	NONE
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	NONE

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		1,000
Total par value of stock issued	\$ -	\$ 1,000
Dividends declared per share for year	None	None
<b>PREFERRED STOCK</b>		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

\* Account 204 not applicable for Class B utilities

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
<b>Total</b>			\$ -

\* For variable rate obligations, provide the basis for the rate. (I.e.. Prime + 2%, etc)

**UTILITY NAME:** Windstream Utilities Company

**STATEMENT OF RETAINED EARNINGS**

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (52,860)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	_____
		_____
	Total Credits	
	Debits: _____	_____
		_____
	Total Debits	
435	Balance transferred from Income	29,073
436	Appropriations of Retained Earnings: _____	_____
		_____
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared _____	_____
438	Common stock dividends declared _____	_____
		_____
	Total Dividends Declared	
	Year end Balance	(23,787)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
		_____
		_____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (23,787)

Notes to Statement of Retained Earnings:



UTILITY NAME: Windstream Utilities Company

**NOTES PAYABLE (ACCTS. 232 AND 234)**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

\* For variable rate obligations, provide the basis for the rate. (i.e.. Prime +2%, etc)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Newco Homes	\$ 215,837
Total	\$ 215,837



**ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
<b>ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt</b>					
Truck Loan	\$ 252	427.1	\$ 259	\$ 511	\$ -
_____	-	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>Total Account No. 237.1</b>	<u>252</u>		<u>259</u>	<u>511</u>	<u>-</u>
<b>ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities</b>					
Customer Deposits	296	427.5	_____	296	-
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>Total Account 237.2</b>	<u>296</u>		_____	<u>296</u>	_____
<b>Total Account 237 (1)</b>	<u>\$ 548</u>		<u>\$ 259</u>	<u>\$ 807</u>	<u>\$ -</u>
<b>INTEREST EXPENSED:</b>					
Total accrual Account 237		237	\$ 259		
Less Capitalized Interest Portion of AFUDC:					
None		_____	_____		
_____		_____	_____		
_____		_____	_____		
_____		_____	_____		
<b>Net Interest Expensed to Account No. 427 (2)</b>			<u>\$ 259</u>		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest  
(2) Must agree to F-3(c), Current Year Interest Expense



UTILITY NAME: Windstream Utilities Company

**OTHER DEFERRED CREDITS  
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
N/A	\$ -	\$ -
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ -	\$ -
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ -	\$ -

UTILITY NAME: Windstream Utilities Company

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 519,844	N/A	N/A	\$ 519,844
Add credits during year:	69,124			69,124
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 588,968	\$ -	\$ -	\$ 588,968

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 109,788	N/A	N/A	\$ 109,788
Debits during year:	23,247			23,247
Rounding	1			1
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 133,036			\$ 133,036

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES  
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	F-3 (c)	\$ 29,073
Reconciling items for the year:		
Taxable income not reported on the books:		
Meter fees	W-7	19,007
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deductions recorded on books not deducted for return:		
1/2 meals and entertainment		1,183
Charitable contributions	F-3c	2,200
Federal income tax		13,852
_____	_____	_____
Income recorded on books not included in return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
Book depreciation	F-3a	(19,105)
Tax depreciation		23,172
_____	_____	_____
_____	_____	_____
Federal tax net income		\$ 61,248
Computation of tax:		
Taxable Income	\$	61,248
Tax Rate		22.62%
Net Tax	\$	13,852

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2002**

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 980,765
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(251,104)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(588,968)
252	Advances for Construction	F-20	
	Subtotal		140,693
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	133,036
	Subtotal		273,729
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		31,728
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 305,457
	UTILITY OPERATING INCOME	W-3	\$ 22,527
CHIEVED RATE OF RETURN (Water Operating Income/Water Rate Bas			7.37 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.  
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.  
 (3) Calculation consistent with last rate proceeding.  
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.



**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	W-9	340,984
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		<u>340,984</u>
401	Operating Expenses	W-10(a)	253,826
403	Depreciation Expense	W-6(a)	42,239
	Less: Amortization of CIAC	W-8(a)	(23,247)
	Net Depreciation Expense		18,992
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		15,344
408.11	Property Taxes		1,871
408.12	Payroll Taxes		7,153
408.13	Other Taxes & Licenses		1,552
408	Total Taxes Other Than Income		25,920
409.1	Income Taxes	F-16	19,719
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		<u>318,457</u>
	Utility Operating Income		<u>22,527</u>
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		5,088
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		<u>\$ 27,615</u>

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

YEAR OF REPORT  
 December 31, 2002

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises				
303	Land and Land Rights	48,085			48,085
304	Structure and Improvements	22,875			22,875
305	Collecting and Impounding Reservoirs	28,731			28,731
306	Lake, River and Other Intakes				
307	Wells and Springs	127,477	52,310		179,787
308	Infiltration Galleries and Tunnels				
309	Supply Mains	8,017	7,954		15,971
310	Power Generation Equipment	12,462			12,462
311	Pumping Equipment	46,540	21,015		67,555
320	Water Treatment Equipment	70,897	197		71,094
330	Distribution Reservoirs and Standpipes	38,000			38,000
331	Transmission and Distribution Mains	370,573	3,786		374,359
333	Services	10,576	1,386		11,962
334	Meters and Meter Installations	30,545	19,804		50,349
335	Hydrants	10,405	4,398		14,803
336	Backflow Prevention Devices		350		350
339	Other Plant / Miscellaneous Equipment	99			99
340	Office Furniture and Equipment	15,591			15,591
341	Transportation Equipment	20,293			20,293
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	352	57		409
344	Laboratory Equipment				
345	Power Operated Equipment	926			926
346	Communication Equipment	2,901	2,120		5,021
347	Miscellaneous Equipment	1,032	11		1,043
348	Other Tangible Plant	1,000			1,000
	TOTAL WATER PLANT	\$ 867,377	\$ 113,388	\$ -	\$ 980,765

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

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WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises						
303	Land and Land Rights	48,085			48,085		
304	Structure and Improvements	22,875			22,875		
305	Collecting and Impounding Reservoirs	28,731		28,731			
306	Lake, River and Other Intakes						
307	Wells and Springs	179,787		179,787			
308	Infiltration Galleries and Tunnels						
309	Supply Mai Windstream Utilities / Ma	15,971		15,971			
310	Power Generation Equipment	12,462		12,462			
311	Pumping Equipment	67,555		67,555			
320	Water Treatment Equipment	71,094			71,094		
330	Distribution Reservoirs and Standpipes	38,000				38,000	
331	Transmission and Distribution Mains	374,359				374,359	
333	Services	11,962				11,962	
334	Meters and Meter Installations	50,349				50,349	
335	Hydrants	14,803				14,803	
336	Backflow Prevention Devices	350				350	
339	Other Plant / Miscellaneous Equipment	99				99	
340	Office Furniture and Equipment	15,591					15,591
341	Transportation Equipment	20,293					20,293
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	409					409
344	Laboratory Equipment						
345	Power Operated Equipment	926					926
346	Communication Equipment	5,021					5,021
347	Miscellaneous Equipment	1,043					1,043
348	Other Tangible Plant	1,000					1,000
	TOTAL WATER PLANT	\$ 980,765	\$ -	\$ 304,506	\$ 142,054	\$ 489,922	\$ 44,283

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
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**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
301	Organization		%	%
302	Franchises		%	%
304	Structure and Improvements	28.00	%	3.57 %
305	Collecting and Impounding Reservoirs	28.00	%	3.57 %
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	27.00	%	3.70 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35.00	%	2.86 %
310	Power Generation Equipment	20.00	%	5.00 %
311	Pumping Equipment	17.00	%	5.88 %
320	Water Treatment Equipment	7.00	%	14.29 %
330	Distribution Reservoirs and Standpipes	33.00	%	3.03 %
331	Transmission and Distribution Mains	38.00	%	2.63 %
333	Services	35.00	%	2.86 %
334	Meters and Meter Installations	17.00	%	5.88 %
335	Hydrants	45.00	%	2.22 %
336	Backflow Prevention Devices	15.00	%	6.67 %
339	Other Plant / Miscellaneous Equipment	25.00	%	4.00 %
340	Office Furniture and Equipment	15.00	%	6.67 %
341	Transportation Equipment	6.00	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	15.00	%	6.67 %
344	Laboratory Equipment		%	%
345	Power Operated Equipment	12.00	%	8.33 %
346	Communication Equipment	10.00	%	10.00 %
347	Miscellaneous Equipment	10.00	%	10.00 %
348	Other Tangible Plant	10.00	%	10.00 %
Water Plant Composite Depreciation Rate *			%	%

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

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ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -	-	\$ -
302	Franchises				
304	Structure and Improvements	12,509	817		817
305	Collecting and Impounding Reservoirs	12,568	1,026		1,026
306	Lake, River and Other Intakes				
307	Wells and Springs	21,028	5,684		5,684
308	Infiltration Galleries and Tunnels				
309	Supply Mains	114	344		344
310	Power Generation Equipment	312	623		623
311	Pumping Equipment	31,968	3,354		3,354
320	Water Treatment Equipment	10,112	10,145		10,145
330	Distribution Reservoirs and Standpipes	2,219	1,149		1,149
331	Transmission and Distribution	89,168	9,797		9,797
333	Services	3,702	322		322
334	Meters and Meter Installations	8,254	2,378		2,378
335	Hydrants	338	279		279
336	Backflow Prevention Devices		12		12
339	Other Plant / Miscellaneous Equipment	2	4		4
340	Office Furniture and Equipment	7,564	2,219		2,219
341	Transportation Equipment	6,859	3,384		3,384
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	109	25		25
344	Laboratory Equipment				
345	Power Operated Equipment	270	77		77
346	Communication Equipment	1,232	396		396
347	Miscellaneous Equipment	155	103		103
348	Other Tangible Plant	383	100		100
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 208,866	\$ 42,238	\$ -	\$ 42,238

\* Specify nature of transaction.  
 Use ( ) to denote reversal entries.

UTILITY NAME: Windstream Utilities Company  
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ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	-
302	Franchises					
304	Structure and Improvements					13,326
305	Collecting and Impounding Reservoirs					13,594
306	Lake, River and Other Intakes					
307	Wells and Springs					26,712
308	Infiltration Galleries and Tunnels					
309	Supply Mains					458
310	Power Generation Equipment					935
311	Pumping Equipment					35,322
320	Water Treatment Equipment					20,257
330	Distribution Reservoirs and Standpipes					3,368
331	Transmission and Distribution					98,965
333	Services					4,024
334	Meters and Meter Installations					10,632
335	Hydrants					617
336	Backflow Prevention Devices					12
339	Other Plant / Miscellaneous Equipment					6
340	Office Furniture and Equipment					9,783
341	Transportation Equipment					10,243
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					134
344	Laboratory Equipment					
345	Power Operated Equipment					347
346	Communication Equipment					1,628
347	Miscellaneous Equipment					258
348	Other Tangible Plant					483
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 251,104



UTILITY NAME: Windstream Utilities Company  
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**WATER CIAC SCHEDULE "A"**  
**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN**  
**EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR**

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Capacity fees - Sun Country	24.00	\$ 250	\$ 6,000
Capacity fees except Sun Country	70.00	515	36,050
Meter fees	69.00	-	-
Meter fees	79.00	165	13,035
Commercial capacity charges		per erc	8,067
Commercial meter fees		Actual cost	5,972
Total Credits			\$ 69,124

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION**  
**ACCOUNT 272**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 109,788
Debits during year:	
Accruals charged to Account	23,248
Other Debits (specify):	
Total debits	23,248
Credits during year (specify):	
Total credits	
Balance end of year	\$ 133,036





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**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	773	838	\$ 316,374
461.2	Metered Sales to Commercial Customers	12	21	21,390
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	<b>Total Metered Sales</b>	<b>785</b>	<b>859</b>	<b>337,764</b>
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
	<b>Total Fire Protection Revenue</b>			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
466	Sales for Resale			
467	Interdepartmental Sales			
	<b>Total Water Sales</b>	<b>785</b>	<b>859</b>	<b>337,764</b>
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			3,220
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	<b>Total Other Water Revenues</b>			<b>\$ 3,220</b>
	<b>Total Water Operating Revenues</b>			<b>\$ 340,984</b>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code

UTILITY NAME: Windstream Utilities Company  
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**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 19,006	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders	72,153		
604	Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power	21,744		
616	Fuel for Power Production			
618	Chemicals	2,214		
620	Materials and Supplies	5,638		
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	7,876		
633	Contractual Services - Legal	6,218		
634	Contractual Services - Mgt. Fees	51,000		
635	Contractual Services - Testing			
636	Contractual Services - Other	18,517	200	441
641	Rental of Building/Real Property	12,709		
642	Rental of Equipment	4,215		
650	Transportation Expense	6,828		
656	Insurance - Vehicle			
657	Insurance - General Liability	1,495		
658	Insurance - Workmens Comp.			
659	Insurance - Other	8,176		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	16,037		
Total Water Utility Expenses		\$ 253,826	\$ 200	\$ 441

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,006
					72,153
21,744					
2,214					
	1,403	440	672		3,123
					7,876
					6,218
		51,000			
9,744			731	2,491	4,910
					12,709
					4,215
					6,828
					1,495
					8,176
					16,037
<u>\$ 33,702</u>	<u>\$ 1,403</u>	<u>\$ 51,440</u>	<u>\$ 1,403</u>	<u>\$ 2,491</u>	<u>\$ 162,746</u>

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		12,000		12,000	10,792
February		15,167		15,167	10,762
March		16,224		16,224	14,701
April		11,655		11,655	16,231
May		11,866		11,866	22,275
June		12,301		12,301	13,342
July		14,314		14,314	10,908
August		21,689		21,689	10,428
September		18,667		18,667	10,844
October		15,351		15,351	14,495
November		10,788		10,788	15,769
December		9,685		9,685	10,338
Total for year	N/A	169,707	N/A	169,707	160,885

If water is purchased for resale, indicate the following:

Vendor N/A

Point of deliver N/A

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Windstream & Carriage Hills	.010 mgd	.010 mgd	Aquifer
Windstream & Carriage Hills	.057 mgd	.057 mgd	Aquifer
Majestic Oaks	.500 mgd	.500 mgd	Aquifer
Majestic Oaks	.690 mgd	.690 mgd	Aquifer
Sun Country Estate/Paddock Downs	.154 mgd	.154 mgd	Aquifer

UTILITY NAME: Windstream Utilities Company  
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**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>144,000 gpd</u>	(Windstream)
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>	
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer <u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>

UTILITY NAME: Windstream Utilities Company  
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**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>384,000 gpd</u>	(Majestic Oaks)
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>	
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer <u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>

UTILITY NAME: Windstream Utilities Company  
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**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>100,000 gpd</u>	(Sun Country/PaddockDowns)
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>	
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer <u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>



UTILITY NAME: Windstream Utilities Company  
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**CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	834	834
5/8"	Displacement	1.0	1	1
3/4"	Displacement	1.5	1	2
1"	Displacement	2.5	12	30
1 1/2"	Displacement or Turbine	5.0	7	35
2"	Displacement, Compound or Turbine	8.0	3	24
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				941

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$$

ERC Calculation:

$$ERC = \frac{160,885 \text{ gallons, divided by}}{350 \text{ gallons per day}} \times \frac{1}{365 \text{ days}}$$

1,259.4 ERC's

UTILITY NAME: Windstream Utilities Company  
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**OTHER WATER SYSTEM INFORMATION**

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

1. Present ERC's * that system can efficiently serve.	<u>1259</u>
2. Maximum number of ERC's * which can be served.	<u>1259</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1259</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>435</u>
5. Estimated annual increase in ERC's * .	<u>40</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>Yes - Marion County</u> <u>Minimum Marion County requirement: 500gpm x 2hrs</u>
7. Attach a description of the fire fighting facilities.	<u>High capacity pumping; Hydrants in some subdivisions</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>Feasibility study of tying in Sun Country system to Majestic Oaks is being explored; elevated storage tank and replacement of lines in Sun Country</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>Windstream: 2-083-0045N; Majestic Oaks: 209360.01; Sun Country: 206619</u>
12. Water Management District Consumptive Use Permit #	<u>Windstream:3424645; Majestic Oaks:6424678; Sun Country:6424618</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

\* An ERC is determined based on the calculation on the bottom of Page W-13

# **WASTEWATER OPERATION SECTION**

Note: The Company provides water service only; therefore, Pages S-1 through S-14 have been omitted