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# WATER AND/OR WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

WU760-01-AR  
Holmes Utilities, Inc.

Submitted To The

## STATE OF FLORIDA



RECEIVED  
PUBLIC SERVICE  
COMMISSION  
02 APR 29 AM 11:24  
ECONOMIC REGULATION

## PUBLIC SERVICE COMMISSION

FOR THE

### YEAR ENDED DECEMBER 31, 2001

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceding year ending December 31.

Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Water and Wastewater, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

## GENERAL DEFINITIONS

**ADVANCES FOR CONSTRUCTION** - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

**ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION ( AFUDC )** - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

**AMORTIZATION** - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

**CONTRIBUTIONS IN AID OF CONSTRUCTION ( CIAC )** - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

**CONSTRUCTION WORK IN PROGRESS ( CWIP )** - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

**DEPRECIATION** - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (j), Florida Administrative Code)

**EFFLUENT REUSE** - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

**EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER)** - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

**EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER)** - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

**GUARANTEED REVENUE CHARGE** - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

**LONG TERM DEBT** - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

**PROPRIETARY CAPITAL ( For proprietorships and partnerships only )** - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

**RETAINED EARNINGS** - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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# FINANCIAL SECTION

REPORT OF

Holmes Utilities, Inc.  
(EXACT NAME OF UTILITY)

760 Henscratch Road Lake Placid, FL 33852	760 Henscratch Road Lake Placid, FL 33852	Highlands
Mailing Address	Street Address	County

Telephone Number 863-465-6044 Date Utility First Organized 08/25/95

Fax Number 863-465-5159 E-mail Address \_\_\_\_\_

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: Holmes Utilities, Inc., 760 Henscratch Road, Lake Placid, FL 33852 863-465-6044

Name of subdivisions where services are provided: Country Walk of Leisure Lakes Subdivision

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Daniel Holmes</u>	<u>President</u>	<u>760 Henscratch Road Lake Placid, FL 33852</u>	
Person who prepared this report: <u>Frank L. Williams</u>	<u>C.P.A.</u>	<u>111 East Park Avenue Lake Placid, FL 33852</u>	
Officers and Managers: <u>Daniel Holmes</u>	<u>President</u>	<u>760 Henscratch Road Lake Placid, FL 33852</u>	\$ 0
<u>Lisa Holmes</u>	<u>V/P, Sec, Treas</u>	<u>Same as above</u>	\$ 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	Principle Business Address	Salary Charged Utility
<u>Daniel M. Holmes</u>	<u>50%</u>	<u>760 Henscratch Road</u>	\$ 0
<u>Lisa K. Holmes</u>	<u>50%</u>	<u>760 Henscratch Road</u>	\$ 0
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 10,728	\$ _____	\$ _____	\$ 10,728
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ 10,728	\$ _____	\$ _____	\$ 10,728
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 20,830	\$ _____	\$ _____	\$ 20,830
Depreciation Expense_____	F-5	2,234	_____	_____	2,234
CIAC Amortization Expense_____	F-8	(893)	_____	_____	(893)
Taxes Other Than Income_____	F-7	967	_____	_____	967
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 23,138	_____	_____	\$ 23,138
Net Operating Income (Loss)		\$ (12,410)	\$ _____	\$ _____	\$ (12,410)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		(6,190)	_____	_____	(6,190)
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (18,600)	\$ _____	\$ _____	\$ (18,600)

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2001
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COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 54,529	\$ 48,713
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>20,219</u>	<u>5,436</u>
Net Utility Plant -----		\$ 34,310	\$ 43,277
Cash -----		(28)	1,734
Customer Accounts Receivable (141) -----		546	-
Other Assets (Specify): -----			
Utility Deposits -----		180	180
Unamortized Rate Case Expense -----		<u>500</u>	<u>-</u>
Total Assets -----		\$ <u>35,508</u>	\$ <u>45,191</u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	100	100
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6	(73,934)	(40,336)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ (73,834)	\$ (40,236)
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----			
Notes Payable (232) -----		89,729	72,830
Customer Deposits (235) -----			
Accrued Taxes (236) -----		483	390
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>19,130</u>	<u>12,207</u>
Total Liabilities and Capital -----		\$ <u>35,508</u>	\$ <u>45,191</u>



UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ 54,529	\$ _____	\$ _____	\$ 54,529
Construction Work in -----	_____	_____	_____	_____
Other (Specify) ----- _____ _____	_____	_____	_____	_____
Total Utility Plant -----	\$ 54,529	\$ _____	\$ _____	\$ 54,529

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year -----	\$ 17,985*	\$ _____	\$ _____	\$ 17,985*
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account -----	\$ 2,234	\$ _____	\$ _____	\$ 2,234
Salvage -----	_____	_____	_____	_____
Other Credits (specify) ----- _____	_____	_____	_____	_____
Total Credits -----	\$ 2,234	\$ _____	\$ _____	\$ 2,234
<u>Deduct Debits During Year:</u>				
Book cost of plant retired -----	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal -----	_____	_____	_____	_____
Other debits (specify) ----- _____	_____	_____	_____	_____
Total Debits -----	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year -----	\$ 20,219	\$ _____	\$ _____	\$ 20,219

Prior year ending balance \$ 5,436  
 Prior year adjustment to retained earnings  
 resulting from rate case 12,549 F-5  
 Adjusted beginning balance \$17,985

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
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CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	1	
Shares authorized _____	500	
Shares issued and outstanding _____	100	
Total par value of stock issued _____	100	
Dividends declared per share for year _____	0	

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (40,336)
Changes during the year (Specify):		
<u>Prior period adjustment based on rate case findings -</u> <u>see F-5, F-8, W-1, W-2 for details</u>		(14,998)
<u>Net loss for the year</u>		<u>(18,600)</u>
Balance end of year _____	\$ _____	\$ (73,934)

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: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
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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 _____	_____	_____	_____	_____
Local property tax _____	_____	_____	_____	244
Regulatory assessment fee _____	_____	_____	_____	483
Other (Specify) _____	_____	_____	_____	_____
Occupational license _____	_____	_____	_____	90
Department of State _____	_____	_____	_____	150
Total Tax Expense _____	\$ _____	\$ _____	\$ _____	\$ 967

**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
Williams & Sherman, CPA's	\$ 1,825	\$ _____	Accounting
Pugh Utilities Service, Inc.	\$ 16,950	\$ _____	O & M, Billing, various
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT  
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CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 22,700*	\$ _____	\$ 22,700*
2) Add credits during year _____			
3) Total _____	\$ 550	\$ _____	\$ 550
4) Deduct charges during the year _____	23,250		23,250
5) Balance end of year _____	23,250		23,250
6) Less Accumulated Amortization _____	4,120		4,120
7) Net CIAC _____	\$ 19,130	\$ _____	\$ 19,130

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	
Tap In	1	\$ 550	\$ 550
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 550

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 3,227*	\$ _____	\$ 3,227*
Add Debits During Year: _____	893		893
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.)	\$ 4,120	\$ _____	\$ 4,120

	F-8	A/C 271	A/C 272
Prior year ending balance		\$13,100	\$ 893
Prior period adjustment		9,600	2,334
Adjusted beginning balance		\$22,700	\$3,227

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2001
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**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)	_____	_____ %	%	_____ %
<b>Total</b>	<b>\$ _____</b>	<b>100.00 %</b>		<b>_____ %</b>

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

**APPROVED AFUDC RATE**

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
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**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

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

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

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**WATER  
OPERATING  
SECTION**

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2001
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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 _____	_____	_____	_____	_____
303	Land and Land Rights _____	1,495	_____	_____	1,495
304	Structures and Improvements _____	9,245	_____	_____	9,245
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	16,306	_____	_____	16,306
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	_____	_____	_____	_____
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	3,350	_____	_____	3,350
320	Water Treatment Equipment _____	6,924	_____	_____	6,924
330	Distribution Reservoirs and Standpipes _____	6,701	_____	_____	6,701
331	Transmission and Distribution Lines _____	2,896	_____	_____	2,896
333	Services _____	_____	_____	_____	_____
334	Meters and Meter Installations _____	6,612	1,000	_____	7,612
335	Hydrants _____	_____	_____	_____	_____
336	Backflow Prevention Devices _____	_____	_____	_____	_____
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 _____	_____	_____	_____	_____
	<b>Total Water Plant _____</b>	<b>\$ 53,529*</b>	<b>\$ 1,000</b>	<b>\$ _____</b>	<b>\$ 54,529</b>

\*Prior year ending balance \$48,713  
 Prior period adjustment to retained earnings  
     resulting from rate case 4,816  
     Adjusted beginning balance \$53,529



UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

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)
303	Land	28	%	3.57 %	\$ 3,343		330	\$ 3,673
304	Structures and Improvements							
305	Collecting and Impounding Reservoirs							
306	Lake, River and Other Intakes							
307	Wells and Springs	27	%	3.70 %	6,938		603	7,541
308	Infiltration Galleries & Tunnels							
309	Supply Mains							
310	Power Generating Equipment							
311	Pumping Equipment	17	%	5.88 %	(530)		197	(333)
320	Water Treatment Equipment	17	%	5.88 %	3,578		407	3,985
330	Distribution Reservoirs & Standpipes	33	%	3.03 %	2,200		203	2,403
331	Trans. & Dist. Mains	38	%	2.63 %	876		76	952
333	Services							
334	Meter & Meter Installations	17	%	5.88 %	1,580		418	1,998
335	Hydrants							
336	Backflow Prevention Devices							
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		%					
	Totals				\$ 17,985*	\$	2,234	\$ 20,219

\*This amount should tie to Sheet F-5.

\*Prior year ending balance \$ 5,436 W-2  
 Prior period adjustment to retained earnings 12,549  
 resulting from rate case \$17,985  
 Adjusted beginning balance

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31 2001
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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_____	_____
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	_____
616	Fuel for Power Production_____	611
618	Chemicals_____	_____
620	Materials and Supplies_____	1,532
630	Contractual Services:	_____
	Billing_____	1,981
	Professional_____	1,825
	Testing_____	_____
	Other_____	_____
640	Rents_____	12,669
650	Transportation Expense_____	_____
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	722
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses_____	1,490
	Total Water Operation And Maintenance Expense_____	\$ 20,830 *

\* 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)	
<b>Residential Service</b>					
5/8"	D	1.0	64	66	66
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
<b>General Service</b>					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			<b>Total</b>	64	66
				66	66

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
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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		216	16	200	200
February		235	15	220	220
March		238	13	225	225
April		210	12	198	198
May		200	14	186	186
June		157	9	148	148
July		166	16	150	150
August		237	10	227	227
September		242	14	228	228
October		227	15	212	212
November		229	16	213	213
December		196	14	182	182
Total for Year		2,553	164	2,389	2,389

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	2"	2,693'			2,693'
PVC	4"	1,602'			1,602'

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1987			
Types of Well Construction and Casing _____	Steel Grouted			
Depth of Wells _____	1,000'			
Diameters of Wells _____	4"			
Pump - GPM _____	85 GPM			
Motor - HP _____	5 HP			
Motor Type * _____				
Yields of Wells in GPD _____				
Auxiliary Power _____	N/A			
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Pneumatic			
Capacity of Tank _____	5,000			
Ground or Elevated _____	Ground			

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____				
Type _____				
Rated Horsepower _____				
<b>Pumps</b>				
Manufacturer _____				
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2001
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**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day_____	<u>122,400</u>	_____	_____
Type of Source_____	<u>Well</u>	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type_____	<u>Community System</u>	_____	_____
Make_____	<u>Pump &amp; pressure Tank</u>	_____	_____
Permitted Capacity (GPD)_____	<u>122,400</u>	_____	_____
High service pumping		_____	_____
Gallons per minute_____	<u>85</u>	_____	_____
Reverse Osmosis_____	<u>None</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>2-3 Gal/day</u>	_____	_____
Ozone_____	<u>Chem Tech</u>	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	<u>Diesel Generator</u>	_____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2001

SYSTEM NAME: \_\_\_\_\_

**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. 90
2. Maximum number of ERCs \* which can be served. 350
3. Present system connection capacity (in ERCs \*) using existing lines. 90
4. Future connection capacity (in ERCs \*) upon service area buildout. 40
5. Estimated annual increase in ERCs \*. 10
6. Is the utility required to have fire flow capacity? No  
If so, how much capacity is required? N/A
7. Attach a description of the fire fighting facilities. Local volunteer fire department; no fire hydrants; lake access.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
None
9. When did the company last file a capacity analysis report with the DEP? N/A
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. N/A
  - b. Have these plans been approved by DEP? N/A
  - c. When will construction begin? N/A
  - d. Attach plans for funding the required upgrading. N/A
  - e. Is this system under any Consent Order with DEP? N/A
11. Department of Environmental Protection ID # 5284114
12. Water Management District Consumptive Use Permit # N/A
  - a. Is the system in compliance with the requirements of the CUP? N/A
  - b. If not, what are the utility's plans to gain compliance? N/A

\* 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**

**Note:** This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

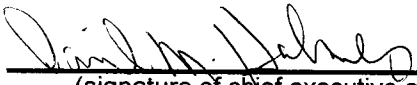
# CERTIFICATION OF ANNUAL REPORT

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 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.