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

ANNUAL REPORT

OF

WU760-05-AR
Daniel Holmes
Holmes Utilities, Inc.
760 Henscratch Road
Lake Placid, FL 33852-8397

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2005

Williams & Sherman

CERTIFIED PUBLIC ACCOUNTANTS

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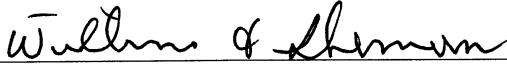
To the Board of Directors
Holmes Utilities, Inc.
Lake Placid, Florida

We have compiled the comparative balance sheets of Holmes Utilities, Inc. as of December 31, 2005 and 2004, and the related statements of income and retained earnings for the year ended December 31, 2005 and supplementary information included 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 management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which may differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to Holmes Utilities, Inc.



Williams & Sherman, CPA's

March 15, 2006

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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	Principal 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 Street Lake Placid, FL 33852</u>	
Officers and Managers: <u>Daniel Holmes</u> <u>Lisa Holmes</u> _____ _____	<u>President</u>	<u>760 Henscratch Road Lake Placid, FL 33852</u>	\$ 0
	<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	Principal Business Address	Salary Charged Utility
<u>Daniel 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
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 24,542	\$ _____	\$ _____	\$ 24,542
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		<u>\$ 24,542</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 24,542</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3				
Depreciation Expense _____	F-5	2,552	_____	_____	2,552
CIAC Amortization Expense _____	F-8	(911)	_____	_____	(911)
Taxes Other Than Income _____	F-7	1,669	_____	_____	1,669
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense _____		<u>\$ 27,555</u>	<u>_____</u>	<u>_____</u>	<u>\$ 27,555</u>
Net Operating Income (Loss)		<u>\$ (3,013)</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ (3,013)</u>
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		11,957	_____	_____	11,957
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		<u>\$ (14,970)</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ (14,970)</u>

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>65,482</u>	\$ <u>63,826</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>30,200</u>	<u>27,648</u>
Net Utility Plant _____		\$ <u>35,282</u>	\$ <u>36,178</u>
Cash _____		<u>0</u>	<u>10</u>
Customer Accounts Receivable (141) _____			
Other Assets (Specify): _____			
Utility Deposits _____		<u>180</u>	<u>180</u>
Unamortized Rate Case Expense _____		<u>0</u>	<u>125</u>
Total Assets _____		\$ <u>35,462</u>	\$ <u>36,493</u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>100</u>	<u>100</u>
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____			
Retained Earnings (215) _____	F-6	<u>(136,877)</u>	<u>(121,907)</u>
Proprietary Capital (Proprietary and Partnership only) (218) _____	F-6		
Total Capital _____		\$ <u>(136,777)</u>	\$ <u>(121,807)</u>
Long Term Debt (224) _____	F-6	\$ _____	\$ _____
Accounts Payable (231) _____		<u>155,196</u>	<u>140,668</u>
Notes Payable (232) _____			
Customer Deposits (235) _____		<u>1,104</u>	<u>1,082</u>
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>15,939</u>	<u>16,550</u>
Total Liabilities and Capital _____		\$ <u>35,462</u>	\$ <u>36,493</u>

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ 65,482	\$ _____	\$ _____	\$ 65,482
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 65,482	\$ _____	\$ _____	\$ 65,482

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ 27,648	\$ _____	\$ _____	\$ 27,648
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 2,552	\$ _____	\$ _____	\$ 2,552
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ 2,552	\$ _____	\$ _____	\$ 2,552
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 30,200	\$ _____	\$ _____	\$ 30,200

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

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 _____	\$ _____	\$ (121,907)
Changes during the year (Specify):		
Net loss for the year _____		(14,970)
_____		_____
_____		_____
Balance end of year _____	\$ _____	\$ (136,877)

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, 2005

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 _____	228	_____	_____	228
Regulatory assessment fee _____	1,104	_____	_____	1,104
Other (Specify) _____	_____	_____	_____	_____
Other _____	187	_____	_____	187
Department of State _____	150	_____	_____	150
Total Tax Expense _____	\$ 1,669	\$ _____	\$ _____	\$ 1,669

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Williams & Sherman, CPA's	\$ 2,225	\$ _____	Accounting
Pugh Utilities Service, Inc	\$ 19,753	\$ _____	O & M, Billing, various
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ 23,400	\$ _____	\$ 23,400
2) Add credits during year_____	300	_____	300
	\$ _____	\$ _____	\$ _____
3) Total_____	23,700	_____	23,700
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	23,700	_____	23,700
6) Less Accumulated Amortization_____	7,761	_____	7,761
7) Net CIAC_____	\$ 15,939	\$ _____	\$ 15,939

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

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year_____	\$ 6,850	\$ _____	\$ 6,850
Add Debits During Year:_____	911	_____	911
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)_____	\$ 7,761	\$ _____	\$ 7,761

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

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):

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

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

APPROVED AFUDC RATE

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

**WATER
OPERATING
SECTION**

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

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	1,356	_____	10,601
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 _____	11,863	_____	_____	11,863
333	Services _____	_____	_____	_____	_____
334	Meters and Meter Installations _____	7,942	300	_____	8,242
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 _____	_____	_____	_____	_____
	Total Water Plant _____	\$ 63,826	\$ 1,656	\$ _____	\$ 65,482

UTILITY NAME: Holmes Utilities, Inc.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	28	%	3.57%	\$ 4,663	\$	\$ 354	\$ 5,017
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	%	3.70%	9,350		603	9,953
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment	17	%	5.88%	258		197	455
320	Water Treatment Equipment	17	%	5.88%	5,206		407	5,613
330	Distribution Reservoirs & Standpipes	33	%	3.03%	3,012		203	3,215
331	Trans. & Dist. Mains	38	%	2.63%	1,770		312	2,082
333	Services		%	%				
334	Meter & Meter Installations	17	%	5.88%	3,389		476	3,865
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				\$ 27,648	\$	\$ 2,552	\$ 30,200*

* This amount should tie to Sheet F-5.

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2005

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	723
616	Fuel for Power Production	_____
618	Chemicals	2,174
620	Materials and Supplies	_____
630	Contractual Services:	_____
	Billing	3,640
	Professional	2,225
	Testing	1,530
	Other	12,358
640	Rents	_____
650	Transportation Expense	_____
655	Insurance Expense	767
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	125
670	Bad Debt Expense	_____
675	Miscellaneous Expenses	703
	Total Water Operation And Maintenance Expense	\$ 24,245 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	65	67	67
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total		
			65	67	67

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January _____	_____	212	_____	212	212
February _____	_____	208	_____	208	208
March _____	_____	238	_____	238	238
April _____	_____	211	_____	211	211
May _____	_____	223	_____	223	223
June _____	_____	191	_____	191	191
July _____	_____	205	_____	205	205
August _____	_____	199	_____	199	199
September _____	_____	198	_____	198	198
October _____	_____	204	_____	204	204
November _____	_____	233	_____	233	233
December _____	_____	226	_____	226	226
Total for Year _____	=====	2,548	=====	2,548	2,548

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"	3,815'	_____	_____	3,815'
PVC	4"	1,602'	_____	_____	1,602'
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

SYSTEM NAME: _____

WELLS AND WELL PUMPS

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

* Submersible, centrifugal, etc.

RESERVOIRS

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

HIGH SERVICE PUMPING

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

UTILITY NAME: Holmes Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2005

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 & 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, 2005

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. 100

2. Maximum number of ERCs * which can be served. 350

3. Present system connection capacity (in ERCs *) using existing lines. 100

4. Future connection capacity (in ERCs *) upon service area buildout. 23

5. Estimated annual increase in ERCs *. 5

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? No

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 SFR customers for the same period and divide the result by 365 days.
(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

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

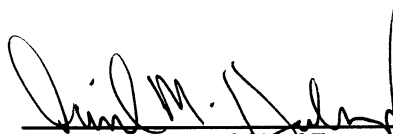
CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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

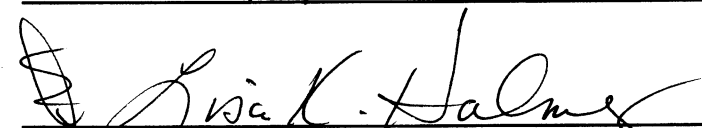
- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of Chief Executive Officer of the utility) *

Date: 3/21/06

- | | | | |
|---|---|---|---|
| 1.
<input checked="" type="checkbox"/> | 2.
<input checked="" type="checkbox"/> | 3.
<input checked="" type="checkbox"/> | 4.
<input checked="" type="checkbox"/> |
|---|---|---|---|



(signature of Chief Financial Officer of the utility) *

Date: 3/21/06

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

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

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class C**

Company: Holmes Utilities, Inc.

For the Year Ended December 31, 2005

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 24,542	\$ 24,542	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	_____	_____	_____
Total Water Operating Revenue	\$ 24,542	\$ 24,542	\$ _____
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 24,542	\$ 24,542	\$ _____

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).