

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

ANNUAL REPORT

OF

WU796-03-AR
Ms. Barbara Ditchey
NHC Utilities, Inc.
6991 East Camelback Road, #B-360
Scottsdale, AZ 85251-2445

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
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DIVISION OF
ECONOMIC REGULATION

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FINANCIAL SECTION

REPORT OF

NHC UTILITIES, INC.
(EXACT NAME OF UTILITY)

2650 HOLIDAY TRAIL KISSIMMEE, FL 34746	3737 EL JOBEAN ROAD PORT CHARLOTTE, FL 33953	CHARLOTTE
Mailing Address	Street Address	County

Telephone Number 941-624-4511 Date Utility First Organized 12/96

Fax Number _____ 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: _____

Name of subdivisions where services are provided: _____

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: ROBERT PENCE	CONTROLLER	2650 HOLIDAY TRAIL KISSIMMEE, FL 34746	NONE
Person who prepared this report: THOMAS E MURTHA	CPA	900 E PINE ST #126 ENGLEWOOD, FL 34223	NONE
Officers and Managers:			\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

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
LEMB L.P. Delaware Limited Partnership	100	6991 E Camelback rd Suite B360 Scottsdale, AZ 85251	\$ NONE \$ _____ \$ _____ \$ _____ \$ _____ \$ _____

UTILITY NAME NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 184,954	\$ _____	\$ _____	\$ 184,954
Commercial _____		_____	_____	_____	_____
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 184,954	\$ _____	\$ _____	\$ 184,954
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 150,751	\$ _____	\$ _____	\$ 150,751
Depreciation Expense _____	F-5	18,534	_____	_____	18,534
CIAC Amortization Expense _____	F-8	(3,636)	_____	_____	(3,636)
Taxes Other Than Income _____	F-7	8,795	_____	_____	8,795
Income Taxes _____	F-7	55	_____	_____	55
Total Operating Expense _____		\$ 174,499	\$ _____	\$ _____	\$ 174,499
Net Operating Income (Loss) _____		\$ 10,455	\$ _____	\$ _____	\$ 10,455
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		201	_____	_____	201
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss) _____		\$ 10,254	\$ _____	\$ _____	\$ 10,254

UTILITY NAME: NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ 562573	\$ 562573
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>302900</u>	<u>284366</u>
Net Utility Plant _____		\$ 259673	\$ 278207
Cash _____		20664	3896
Customer Accounts Receivable (141) _____			
Other Assets (Specify): _____			
Due from LEMB _____		175475	177666
Prepaid FIT _____		533	
Total Assets _____		\$ 456345	\$ 459769
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	1000	1000
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		295337	295337
Retained Earnings (215) _____	F-6	90468	80214
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		\$ 386805	\$ 376551
Long Term Debt (224) _____	F-6	\$	\$
Accounts Payable (231) _____		75	8831
Notes Payable (232) _____			
Customer Deposits (235) _____		400	1500
Accrued Taxes (236) _____		8458	8644
Other Liabilities (Specify) _____			
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>60607</u>	<u>64243</u>
Total Liabilities and Capital _____		\$ 456345	\$ 459769

UTILITY NAME NHC UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2003

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 562573	\$ _____	\$ _____	\$ 562573
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 562573	\$ _____	\$ _____	\$ 562573

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 284366	\$ _____	\$ _____	\$ 284366
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 18534	\$ _____	\$ _____	\$ 18534
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 302900	\$ _____	\$ _____	\$ 302900

UTILITY NAME NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	10	
Shares authorized _____	100	
Shares issued and outstanding _____	100	
Total par value of stock issued _____	1000	
Dividends declared per share for year _____	0	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ 80214
Changes during the year (Specify):		
Net Income for the Year _____		10,254

Balance end of year _____	\$ _____	\$ 90468

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: NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ 55	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	_____	_____	_____
Regulatory assessment fee _____	8458	_____	_____	_____
Other (Specify) _____	187	_____	_____	_____
Corp Annual Report _____	150	_____	_____	_____
<u>Total Tax Expense</u> _____	<u>\$ 8850</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

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
Flischel Townsend Murtha, PA	\$ 3000	\$ _____	Tax Return/Report Preperation
LEMB, LP	\$ 22500	\$ _____	Labor
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 102221	\$ _____	\$ 102221
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	102221	_____	102221
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	_____	_____
6) Less Accumulated Amortization _____	41614	_____	41614
7) Net CIAC _____	\$ 60607	\$ _____	\$ 60607

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
NONE		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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 _____	\$ 37978	\$ _____	\$ 37978
Add Debits During Year: _____	3636	_____	3636
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 41614	\$ _____	\$ 41614

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

UTILITY NAME NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31 2003

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: _____

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

UTILITY NAME NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

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):

**WATER
OPERATING
SECTION**

UTILITY NAME: NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31 2003

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_____	_____	_____	_____	_____
304	Structures and Improvements_____	8065	_____	_____	8065
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	_____	_____	_____	_____
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	220052	_____	_____	220052
310	Power Generation Equipment_____	_____	_____	_____	_____
311	Pumping Equipment_____	_____	_____	_____	_____
320	Water Treatment Equipment_____	155412	_____	_____	155412
330	Distribution Reservoirs and Standpipes_____	129830	_____	_____	129830
331	Transmission and Distribution Lines_____	_____	_____	_____	_____
333	Services_____	33275	_____	_____	33275
334	Meters and Meter Installations_____	902	_____	_____	902
335	Hydrants_____	9935	_____	_____	9935
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
340	Office Furniture and Equipment_____	5102	_____	_____	5102
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_____	\$ 562573	\$ _____	\$ _____	\$ 562573

UTILITY NAME: NHC UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2003

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	20	0 %	5 %	\$ 6246	\$	\$ 403	\$ 6649
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains	40	0 %	2.5 %	85268		5501	90769
310	Power Generating Equipment		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equipment	20	0 %	5 %	120449		7771	128220
330	Distribution Reservoirs & Standpipes	40	0 %	2.5 %	50311		3246	53557
331	Trans. & Dist. Mains		%	%				
333	Services	40	0 %	2.5 %	12895		832	13727
334	Meter & Meter Installations	40	0 %	2.5 %	17		23	40
335	Hydrants	40	0 %	2.5 %	3847		248	4095
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment	10	0 %	10 %	5333		510	5843
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				\$ 284366	\$	\$ 18534	\$ 302900 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 12028
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	97983
615	Purchased Power	
616	Fuel for Power Production	
618	Chemicals	
620	Materials and Supplies	2400
630	Contractual Services:	
	Billing	4800
	Professional	25500
	Testing	1010
	Other	
640	Rents	4800
650	Transportation Expense	
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	2230
	Total Water Operation And Maintenance Expense	\$ 150751 *

* 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	459	459	459
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		
			459	459	459

UTILITY NAME: NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

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_____	3037	_____	_____	3037	3037
February_____	2815	_____	_____	2815	2815
March_____	2590	_____	_____	2590	2590
April_____	2828	_____	_____	2828	2828
May_____	2273	_____	_____	2273	2273
June_____	1394	_____	_____	1394	1394
July_____	1125	_____	_____	1125	1125
August_____	1000	_____	_____	1000	1000
September_____	1383	_____	_____	1383	1383
October_____	2458	_____	_____	2458	2458
November_____	2355	_____	_____	2355	2355
December_____	2551	_____	_____	2551	2551
Total for Year_____	25809	_____	_____	25809	25809

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	8"	10420'	_____	_____	10420'
PVC	6"	5470'	_____	_____	5470'
DR255CH900	12"	2874'	_____	_____	2874'
DR255DH900	8"	76'	_____	_____	76'
CL51DIP	6"	6'	_____	_____	6'
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____ NHC UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2003

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____ Types of Well Construction and Casing _____ _____ _____ _____ Depth of Wells _____ Diameters of Wells _____ Pump - GPM _____ Motor - HP _____ Motor Type * _____ Yields of Wells in GPD _____ Auxiliary Power _____ * Submersible, centrifugal, etc.	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

RESERVOIRS

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

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: _____ NHC UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2003

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	_____	_____	_____
Type of Source_____	_____	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	_____	_____	_____
Make_____	_____	_____	_____
Permitted Capacity (GPD)_____	_____	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	_____	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	_____	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	_____	_____	_____

UTILITY NAME: NHC UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2003

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.
MASTER METER CHARLOTTE COUNTY UTILITIES

1. Present ERC's * the system can efficiently serve. _____
2. Maximum number of ERCs * which can be served. _____
3. Present system connection capacity (in ERCs *) using existing lines. _____
4. Future connection capacity (in ERCs *) upon service area buildout. _____
5. Estimated annual increase in ERCs *. _____
6. Is the utility required to have fire flow capacity? _____
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.

9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # _____
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? _____
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

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

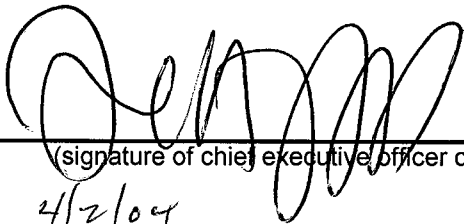
CERTIFICATION OF ANNUAL REPORT

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:

4/2/04

- | | | | |
|---|---|---|---|
| 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:

4/2/04

* 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.