

CLASS "A" OR "B"

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

ANNUAL REPORT

OF

PALM CAY UTILITIES, INC.
Exact Legal Name of Respondent

601-W
Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

Form PSC/WAW 3 (Rev. 12/99)

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Florida Public Service Commission
Division of Water and Wastewater

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DIVISION OF
WATER AND SEWER
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GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
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 unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
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 with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility.

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**EXECUTIVE
SUMMARY**

UTILITY NAME: PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

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.

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 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 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.
X	X	X	X

1.	2.	3.	4.



(Signature of Chief Executive Officer of the utility) *

(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.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 1999

PALM CAY UTILITIES, INC.
(Exact Name of Utility)

County: Manatee

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

10641 Southwest 80 Avenue
Ocala, Florida 34481

Telephone: (352) 854-0408

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:

Jon M. Kurtz, President
Palm Cay Utilities, Inc.
10641 Southwest 80 Avenue
Ocala, Florida 34481
Telephone: (352) 854-0408

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

10641 Southwest 80 Avenue
Ocala, Florida 34481

Telephone: (352) 854-0408

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

None

Date of original organization of the utility: February 24, 1998

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% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Jon M. and Kay Osborne Kurtz	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

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. Venture Associates Utilities Corporation provided water service to the Palm Cay subdivision until November 2, 1998. By Order No. PSC-98-1231-FOF-WU, dated September 21, 1998, the Florida Public Service Commission approved the sale of the Palm Cay water system to Palm Cay Utilities, Inc.
- B. Palm Cay Utilities, Inc. provides water service to the Palm Cay subdivision in Marion County.
- C. Palm Cay Utilities' goals and objectives are to provide high quality service to its customers.
- D. Palm Cay Utilities has one operating division, Palm Cay.
- E. The Palm Cay subdivision is built out. No significant growth is anticipated in the service area in the coming year.
- F. Palm Cay Utilities expects no extraordinary transactions having a material effect in the coming year.

UTILITY NAME: PALM CAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 1999

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

Palm Cay Utilities, Inc. has no parent or subsidiary companies.

UTILITY NAME: PALM CAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

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 THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Jon M. Kurtz	President		\$ 18,173
Kay Osborne Kurtz	Secretary		18,173

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
N/A	N/A	N/A	\$ N/A

**FINANCIAL
SECTION**

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 723,660	\$ 733,826
108-110	Less: Accumulated Depreciation and Amortization	F-8	172,967	193,866
Net Plant			\$ 550,693	\$ 539,960
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 550,693	\$ 539,960
OTHER PROPERTY AND INVESTMENTS				
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 & Investments			\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 3,533	\$ 9,459
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 Uncollectible Accounts	F-11	16,026	16,345
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 19,559	\$ 25,804

* Not Applicable for Class B Utilities

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & 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			\$ _____	\$ _____
TOTAL ASSETS AND OTHER DEBITS			\$ <u>570,252</u>	\$ <u>565,764</u>

* 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)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 500	\$ 500
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		9,180	80,684
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	3,020	2,164
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 12,700	\$ 83,348
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	69,168	
Total Long Term Debt			\$ 69,168	\$
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		1,634	5,396
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18	15,246	20,422
234	Notes Payable to Associated Companies	F-18	3,000	
235	Customer Deposits		2,380	2,240
236	Accrued Taxes	W/S-3	1,452	9,484
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		1,715
Total Current & Accrued Liabilities			\$ 23,712	\$ 39,257

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ _____	\$ _____
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 664,149	\$ 664,149
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	199,477	220,990
Total Net C.I.A.C.			\$ 464,672	\$ 443,159
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____	\$ _____
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 570,252	\$ 565,764

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 213,540	\$ 210,768
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 213,540	\$ 210,768
401	Operating Expenses	F-3(b)	\$ 187,445	\$ 185,829
403	Depreciation Expense:	F-3(b)	\$ 20,229	\$ 18,919
	Less: Amortization of CIAC	F-22	21,696	21,513
Net Depreciation Expense			\$ (1,467)	\$ (2,594)
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)	1,927	1,982
408	Taxes Other Than Income	W/S-3	17,989	21,804
409	Current Income Taxes	W/S-3		
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			\$ 205,894	\$ 207,021
Net Utility Operating Income			\$ 7,646	\$ 3,747
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			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 7,646	\$ 3,747

For each account,
Column e should
agree with Columns
f, g and h
on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
210,768	\$ _____	\$ _____
\$ 210,768	\$ _____	\$ _____
\$ 185,829	\$ _____	\$ _____
18,919 21,513	_____	_____
\$ (2,594)	\$ _____	\$ _____
1,982 21,804 _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____
\$ 207,021	\$ _____	\$ _____
\$ 3,747	\$ _____	\$ _____
_____ _____ _____	_____ _____ _____	_____ _____ _____
\$ 3,747	\$ _____	\$ _____

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 7,646	\$ 3,747
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income		1,395	129
421	Nonutility Income		6,397	
426	Miscellaneous Nonutility Expenses		6,227	97
Total Other Income and Deductions			\$ 1,565	\$ 32
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
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			\$	\$
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 776	\$ 4,635
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 776	\$ 4,635
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions		72,589	
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$ (72,589)	\$
NET INCOME			\$ (64,154)	\$ (856)

Explain Extraordinary Income:

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	\$ 733,826	\$
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	170,747	
110	Accumulated Amortization	F-8	23,124	
271	Contributions In Aid of Construction	F-22	664,149	
252	Advances for Construction	F-20		
Subtotal			\$ (124,189)	\$
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	220,990	
Subtotal			\$ 96,801	\$
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		23,229	
	Other (Specify):			
RATE BASE			\$ 120,030	\$
NET UTILITY OPERATING INCOME			\$ 3,747	\$
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			3.12%	

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (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.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 83,348	97.38%	8.96%	8.73%
Preferred Stock				
Long Term Debt				
Customer Deposits	2,240	2.62%	6.00%	0.16%
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$ 85,588	100.00%		8.88%

(1) If the utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	_____ %
Commission order approving Return on Equity:	_____

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	_____ %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 733,826	\$	\$	\$ 733,826
102	Utility Plant Leased to Other				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 733,826	\$	\$	\$ 733,826

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment None	\$	\$	\$	\$
	Total Plant Acquisition Adjustments	\$	\$	\$	\$
115	Accumulated Amortization None	\$	\$	\$	\$
	Total Accumulated Amortization	\$	\$	\$	\$
	Net Acquisition Adjustments	\$	\$	\$	\$

UTILITY NAME: PALM CAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
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: PALMCAY UTILITIES, INC.

YEAR OF REPORT December 31, 1999
--

**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): None _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): None _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): None _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): None _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Special Funds		\$ _____

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):		
Water	\$ 16,345	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 16,345
OTHER ACCOUNTS RECEIVABLE (Account 142):		
	\$ 0	
Total Other Accounts Receivable		\$
NOTES RECEIVABLE (Account 144):		
	\$ 0	
Total Notes Receivable		\$
Total Accounts and Notes Receivable		\$ 16,345
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 0	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions		\$
Deduct accounts written off during year:		
Utility Accounts	0	
Others		
Total accounts written off		\$
Balance end of year		\$
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 16,345

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT December 31, 1999
--

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): None	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251): None	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ _____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: PALM CAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

**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 _____ \$ _____		
REGULATORY ASSETS (Class A Utilities: Account. 186.3): None _____ \$ _____ _____ \$ _____ _____ \$ _____ _____ \$ _____		
Total Regulatory Assets _____ \$ _____		
TOTAL MISCELLANEOUS DEFERRED DEBITS _____ \$ _____		

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share		\$ 1
Shares authorized		500
Shares issued and outstanding		500
Total par value of stock issued		\$ 500
Dividends declared per share for year		\$ 0
PREFERRED STOCK		
Par or stated value per share		N/A
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

* 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)	
None	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

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

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	\$ 3,020
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	\$ (856)
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	\$ _____
215	Year end Balance	\$ 2,164
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ 2,164
Notes to Statement of Retained Earnings:		

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

**NOTES PAYABLE
ACCOUNTS 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): None			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): None			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
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)
K-4 Ventures, Inc.	\$ 20,422
Total	\$ 20,422

UTILITY NAME: PALMCAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (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)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt AmSouth Bank	\$ 0	01427.3\$	3,406	\$ 3,406	\$
Venture Associates Utilities Corporation		01427.3	1,095	1,095	
Total Account 237.1	\$		4,501	\$	\$
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities Customer Deposits	\$	01427.4\$	134	\$ 134	\$
Total Account 237.2	\$		134	\$	\$
Total Account 237 (1)	\$		4,635	\$	\$
INTEREST EXPENSED:					
Total accrual Account 237		237	4,635		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)					\$ 4,635

(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: PALM CAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Payroll Tax Withholding	\$ 1,715
Total Miscellaneous Current and Accrued Liabilities	\$ 1,715

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT. DEBIT (c)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
			AMOUNT (d)			
None	\$	\$	\$		\$	\$
Total	\$	\$	\$		\$	\$

* Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

**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):		
None	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
None	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>664,149</u>	\$ _____	\$ _____	\$ <u>664,149</u>
Add credits during year:	\$ _____	\$ _____	\$ _____	\$ _____
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ <u>664,149</u>	\$ _____	\$ _____	\$ <u>664,149</u>

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>199,477</u>	\$ _____	\$ _____	\$ <u>199,477</u>
Debits during the year:	\$ <u>21,513</u>	\$ _____	\$ _____	\$ <u>21,513</u>
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>220,990</u>	\$ _____	\$ _____	\$ <u>220,990</u>

UTILITY NAME: **PALM CAY UTILITIES, INC.**

YEAR OF REPORT
December 31, 1999

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

The reconciliation should include the same detail as furnished on Schedule M-1 of the federal 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 computations of all tax accruals.

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, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (856)
Reconciling items for the year:		
Taxable income not reported on books:		
Customer Deposits		2,240
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
Income recorded on books not included in return:		
Book/Tax difference Accounts Receivable		(320)
_____		_____
_____		_____
Deduction on return not charged against book income:		
Book/Tax difference Accounts Payable		(11,484)
Book/Tax difference Depreciation		(19,719)
_____		_____
_____		_____
Federal tax net income		\$ (30,139)
Computation of tax :		

**WATER
OPERATION
SECTION**

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 733,826
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	170,742
110	Accumulated Amortization		23,124
271	Contributions In Aid of Construction	W-7	664,149
252	Advances for Construction	F-20	
	Subtotal		\$ (124,189)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 220,990
	Subtotal		\$ 96,801
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		23,229
	Other (Specify):		
	WATER RATE BASE		\$ 120,030
	WATER OPERATING INCOME	W-3	\$ 3,747
	Achieved Rate of Return (Water Operating Income / Water Rate Base)		3.12%

NOTES: (1) Estimate based on the methodology used in the last rate proceeding.

(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

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 210,768
469	Less: Guaranteed Revenue and AFPI	W-9	
Net Operating Revenues			\$ 210,768
401	Operating Expenses	W-10(a)	\$ 185,829
403	Depreciation Expense	W-6(a)	18,919
	Less: Amortization of CIAC	W-8(a)	21,513
Net Depreciation Expense			\$ (2,594)
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	1,982
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		9,485
408.11	Property Taxes		4,767
408.12	Payroll Taxes		7,552
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 21,804
409.1	Income Taxes		
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			\$ 207,021
Utility Operating Income			\$ 3,747
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		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 3,747

YEAR OF REPORT
December 31, 1999

UTILITY NAME: PALMCAY UTILITIES, INC.

SYSTEM NAME / COUNTY: Palm Cay/Marion

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 67,386	\$	\$	\$ 67,386
302	Franchises				
303	Land and Land Rights	47,470			47,470
304	Structures and Improvements	24,366			24,366
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	42,753			42,753
308	Infiltration Galleries and Tunnels				
309	Supply Mains	11,053			11,053
310	Power Generation Equipment	21,117			21,117
311	Pumping Equipment	33,650			33,650
320	Water Treatment Equipment	10,696			10,696
330	Distribution Reservoirs and Standpipes	22,525			22,525
331	Transmission and Distribution Mains	334,389	734		335,123
333	Services	70,046			70,046
334	Meters and Meter Installations	27,323	2,181		29,504
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	3,601	200		3,801
341	Transportation Equipment	7,286	1,500		8,786
342	Stores Equipment				
343	Tools, Shop and Garage Equipment		5,550		5,550
344	Laboratory Equipment				
345	Power Operated Equipment		2,650	2,650	
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 723,661	\$ 1,2815	\$ 2,650	\$ 733,826

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

W-4(a)
GROUP 1

YEAR OF REPORT
December 31, 1999

UTILITY NAME: PALM CAY UTILITIES, INC.

SYSTEM NAME / COUNTY : Palm Cay/Marion

WATER UTILITY PLANT MATRIX

ACCT. NO.	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	67,386	67,386				
302	Franchises						
303	Land and Land Rights	47,470		47,470			
304	Structures and Improvements	24,366		24,366			
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	42,753		42,753			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	11,053		11,053			
310	Power Generation Equipment	21,117		21,117			
311	Pumping Equipment	33,650		33,650			
320	Water Treatment Equipment	10,696			10,696		
330	Distribution Reservoirs and Standpipes	22,525				22,525	
331	Transmission and Distribution Mains	335,123				335,123	
333	Services	70,046				70,046	
334	Meters and Meter Installations	29,504				29,504	
335	Hydrants						
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						3,801
340	Office Furniture and Equipment	3,801					3,801
341	Transportation Equipment	8,786					8,786
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	5,550					5,550
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
	TOTAL WATER PLANT	733,826	67,386	180,409	106,966	457,198	18,137

W-4(b)
GROUP 1

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

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)
304	Structures and Improvements	33	0	3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30	0	3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35	0	2.86%
310	Power Generation Equipment	20	0	5.00%
311	Pumping Equipment	20	0	5.00%
320	Water Treatment Equipment	22	0	4.55%
330	Distribution Reservoirs and Standpipes	37	0	2.70%
331	Transmission and Distribution Mains	43	0	2.33%
333	Services	40	0	2.50%
334	Meters and Meter Installations	20	0	
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	25	0	4.00%
340	Office Furniture and Equipment	15	0	6.67%
341	Transportation Equipment	6	0	16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	12	0	8.33%
346	Communication Equipment	10	0	10.00%
347	Miscellaneous Equipment			
348	Other Tangible Plant			
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: PALMCAY UTILITIES, INC.

YEAR OF REPORT
December 31, 1999

SYSTEM NAME / COUNTY: Palm_Cay/Marion

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)
304	Structures and Improvements	\$ 7,068	\$ 738	\$	\$ 738
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	14,690	1,424		1,424
308	Infiltration Galleries and Tunnels				
309	Supply Mains	1,088	316		316
310	Power Generation Equipment	10,031	1,056		1,056
311	Pumping Equipment	3,060	1,684		1,684
320	Water Treatment Equipment	4,953	487		487
330	Distribution Reservoirs and Standpipes	6,243	608		608
331	Transmission and Distribution Mains	73,749	7,807		7,807
333	Services	17,337	1,751		1,751
334	Meters and Meter Installations	13,604	1,466		1,466
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment		252		252
341	Transportation Equipment		1,298		1,298
342	Stores Equipment				
343	Tools, Shop and Garage Equipment		32		32
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 151,823	\$ 18,919	\$	\$ 18,919

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

YEAR OF REPORT
December 31, 1999

UTILITY NAME: PALMCAY UTILITIES, INC.

SYSTEM NAME / COUNTY : Palm Cay/Marion

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	7,806
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					16,114
308	Infiltration Galleries and Tunnels					
309	Supply Mains					1,404
310	Power Generation Equipment					11,087
311	Pumping Equipment					4,744
320	Water Treatment Equipment					5,440
330	Distribution Reservoirs and Standpipes					6,851
331	Transmission and Distribution Mains					81,556
333	Services					19,088
334	Meters and Meter Installations					15,070
335	Hydrants					
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment					252
341	Transportation Equipment					1,298
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					32
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 170,742

W-6(b)
GROUP 1

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

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)
None		\$	\$
Total Credits			\$

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 199,477
Debits during the year:	
Accruals charged to Account 272	\$ 21,513
Other debits (specify):	
Total debits	\$ 21,513
Credits during the year (specify):	
Total credits	\$
Balance end of year	\$ 220,990

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
	Metered Water Revenue:			
461.1	Sales to Residential Customers	795	796	182,365
461.2	Sales to Commercial Customers	29	23	27,623
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
	Total Metered Sales	824	819	\$ 209,988
	Fire Protection Revenue:			
462.1	Public Fire Protection			
462.2	Private Fire Protection			
	Total Fire Protection Revenue			\$
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Total Water Sales	824	819	\$ 209,988
	Other Water Revenues:			
469	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			780
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 780
	Total Water Operating Revenues			\$ 210,768

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

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)
601	Salaries and Wages - Employees	\$ 56,627	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders	36,346		
604	Employee Pensions and Benefits	6,634		
610	Purchased Water			
615	Purchased Power	10,546	10,546	
616	Fuel for Power Purchased	31	31	
618	Chemicals	1,703		
620	Materials and Supplies	1,657		462
631	Contractual Services-Engineering			
632	Contractual Services - Accounting	17,297		
633	Contractual Services - Legal	35		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	662		
636	Contractual Services - Other	11,058	1,260	4,531
641	Rental of Building/Real Property	16,310		
642	Rental of Equipment			
650	Transportation Expenses	5,452	845	
656	Insurance - Vehicle	2,100		
657	Insurance - General Liability	2,309	432	
658	Insurance - Workman's Comp.	583		
659	Insurance - Other	73		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	21		
675	Miscellaneous Expenses	16,385	2,550	
Total Water Utility Expenses		\$ 185,829	\$ 15,664	\$ 4,993

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT
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SYSTEM NAME / COUNTY :

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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)
	\$	\$ 7,689	\$ 17,011	\$ 21,457	\$ 10,470
					36,346
		1,136	1,875	2,011	1,612
	1,703				
			724		471
				7,289	10,008
					35
602		60			
3,075	52		1,755	385	
		3,336		3,337	9,637
		2,329	300	270	1,708
		700	700	700	
432		433	433	579	
		234	117	116	116
				73	
				21	
		2,550	25	1,250	10,010
4,109	\$ 1,755	\$ 18,467	\$ 22,940	\$ 37,488	\$ 80,413

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

December 31, 1999

SYSTEM NAME / COUNTY :

Palm Cay/Marion

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		6,724,000		6,724,000	5,760,320
February		5,306,000		5,306,000	5,632,800
March		7,099,000		7,099,000	6,907,700
April		11,468,000		11,468,000	10,795,429
May		11,467,000		11,467,000	10,118,391
June		8,426,000		8,426,000	8,166,860
July		6,221,000		6,221,000	5,576,389
August		9,157,000		9,157,000	8,298,431
September		7,995,000		7,995,000	7,520,610
October		6,341,000		6,341,000	5,639,460
November		7,384,000		7,384,000	6,673,990
December		6,594,000		6,724,000	6,216,870
Total for Year		94182000		94312000	87307250

If water is purchased for resale, indicate the following:

Vendor N/A

Point of delivery _____

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

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #1	936,000		Well
Well#2	936,000		Well

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

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SYSTEM NAME / COUNTY:

Palm Cay/Marion

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>370,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Storage Tanks</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Chemical</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: _____
FILTRATION	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: _____
Gravity (in GPM/square feet): <u>N/A</u>	Manufacturer: _____

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

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SYSTEM NAME / COUNTY :

Palm Cay/Marion

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

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		
5/8"	Displacement	1.0	818	818
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	1	8
3"	Displacement	15.0		
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				826

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:

(Gallons Sold/365)/350= 683

W-13

GROUP 1

SYSTEM _____

UTILITY NAME:

PALM CAY UTILITIES, INC.

YEAR OF REPORT

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SYSTEM NAME / COUNTY:

Palm Cay/Marion

OTHER 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. _____ 683
2. Maximum number of ERCs * which can be served. _____ 683
3. Present system connection capacity (in ERCs *) using existing lines. _____ 683
4. Future connection capacity (in ERCs *) upon service area buildout. _____ 683
5. Estimated annual increase in ERCs *. _____ None
6. Is the utility required to have fire flow capacity? _____ No
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. _____
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:
 - 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 # _____ PWS 6424649
12. Water Management District Consumptive Use Permit # _____ 208423.06
 - a. Is the system in compliance with the requirements of the CUP? _____ Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

WASTEWATER OPERATING SECTION

Note: This utility is a water only service; therefore, Pages S-1 through S-13 have been omitted from this report.