

IV.

Because the Applicant is a Limited Liability Corporation, it has no corporate officers and directors. However, the name and address of the Managing Member is:

Farmton Management, LLC
410 North Michigan Avenue
Chicago, IL 60011

V.

The Applicant has not made an election under Internal Revenue Code Section 1362 to be an S Corporation.

VI.

The Applicant has the financial and technical ability to provide water service to the area applied for herein. Prior to the formation of the Utility, the related party landowner owned the existing facilities which will now be utilized by the Utility in providing service to the territory applied for herein. The Utility will continue to employ operations, maintenance and technical advisory personnel necessary to ensure continued efficient provision of water service to the various customers of the Utility, and to meet the future needs and expanding needs anticipated for water services within the proposed territory.

VII.

The sole member/owner of Applicant is Farmton Management, LLC which owns interest in the Applicant and whose address is:

Farmton Management, LLC
410 North Michigan Avenue, Rm. 590
Chicago, IL 60011

VIII.

The Applicant has the technical ability to provide the water service to the proposed territory as applied for herein. The Applicant can provide all types of water service as applied for herein and expansion of that service as and when needed in the most efficient and effective manner. All of the water facilities currently owned and operated by a related party will begin being operated by the Utility before or immediately upon approval and certification of FWR by the Florida Public Service Commission (hereinafter "the Commission" or "the PSC"). Ownership or other rights to beneficial use of any facilities, lands, or land rights needed by the Utility in order to provide water service throughout the territory in a most efficient manner possible, will be provided by the related party landowner as and when needed in order to ensure the needs for water services are met in accordance with the Utility's obligations under Florida Statutes, Rules of the Commission, the Utility's tariff, and good Utility and water management practices.

The related party landowner currently operates all existing Utility facilities in question and has the appropriate certificates and licenses to operate those existing supplied facilities. That entity has in the past employed operation maintenance and technical advisory personnel necessary to ensure the efficient provision of potable and non-potable quality water service to the various customers presently served. The Utility will enter into an agree-

ment with the landowner so that the Utility will obtain the long term right to use the necessary properties for Utility purposes. A copy of this 99 year Lease Agreement is attached hereto as **Exhibit "C"**. This Agreement will be executed as soon as PSC approval of this Application is received or before that time if FWR begins operation of the water facilities before PSC final approval. The Utility will employ, either through direct employment or through contractual arrangements, those same personnel and hire additional qualified persons as needed in order to continue to provide the same high quality of service as additional need for such services arise.

IX.

There is currently a need for both potable and non-potable water service within the proposed service territory applied for herein. That service consists of existing residential, and fire protection services. The needs for these various services are throughout the service territory as depicted in the maps including Figure 1-3 of **Exhibit "A"**. The Utility has not inquired from other Utilities within the area who might be able to provide service to this territory. Because of the existing facilities which are being utilized by the landowner presently and will be utilized by the Utility company immediately upon, if not before, certification by the Commission, any attempts to obtain service from any outside source would dramatically increase the cost of providing such service and could quite possibly result in a decrease of the

quality of service provided. In addition, the cost of running existing water mains to the existing systems within the territory, or to the existing locations where the need for service presently exists, from any other Utility with the ability to provide the quantity needed within the service territory would be extraordinarily high and extremely inefficient given the availability of facilities and water sources already in place within the service territory for that purpose.

In addition to the immediate needs for service as outlined in Exhibit "A" hereof, there has been a request for the provision of potable water to several campsites to be developed by a hunt club which leases property within the service territory. These potable water services will be constructed in the near future to provide this service to the 260 member families of the Miami Tract Hunt Club, Inc. as requested by the Hunt Club in their letter of February 6, 2002 (attached hereto) as **Exhibit "D"**.

X.

Through funding and the financial support of its Managing Member, Farmton Management, LLC, the Utility will have ample financial backing to ensure the safe, efficient and sufficient provision of non-potable water service to the territory applied for herein and the expansion as needed of water sources and facilities in the proposed service area to meet all future needs. Attached hereto as **Exhibit "E"**, is a recent balance sheet for the Utility's Managing Member showing that the company has ample capital re-

sources to support the initial funding of the financial needs of the Utility and all future needs as they become known. Also attached as part of **Exhibit "E"** is an affidavit from the Managing Member ensuring its financial commitment to the Utility company for all future capital requirements. The Managing Member and the Utility have access to all resources needed to fund the capital and long-term financial needs of the Utility.

XI.

The related landowner has for over 75 years owned the property and overseen the water resources within the property which is to be the service territory of FWR. The related landowner has vast experience in water management through its silva cultural/agricultural oversight and has been a leader in water conservation measures and innovative resource management techniques for use of non-potable water. Mr. Earl Underhill who will participate actively in the management of the Utility, has participated in numerous water conservation and water management groups and continues to do so to this date on behalf of the landowner. In the future, Mr. Underhill will continue to be actively involved in water resource issues on behalf of the Utility and/or the property owner. FWR will immediately provide both potable and non-potable water service to the existing locations and continue to plan toward the provision of the potable and non-potable water service to all such needs within its proposed service territory. Certification of the Utility by the Commission will allow the Applicant to utilize

the lowest quality water that is fit for the purpose intended in accordance with the state water policy and to properly plan for and manage the water resources of the area for the benefit of all needs within the proposed territory and bulk needs outside that territory.

XII.

There is an existing need for both potable and non-potable water throughout the proposed service territory applied for herein. The service consists not only of a need for service to existing users, but also for fire flow needs and any future residential and commercial customers which may develop and require potable and/or non-potable water in the future. In addition as noted elsewhere in this Application, there are plans for expansion of hunting camps leased by over 260 families that are in need of immediately improvement of potable water facilities to service those lessees. The existing need for both potable and non-potable water services exist throughout the service territory applied herein as is evident from a review of the maps contained in Figure 1-3, 2-1 and 2-2 of **Exhibit "A"**. In order to ensure the orderly planning and growth of development within the proposed service territory and ensure the most efficient use of precious water resources, the Commission should grant the requested certificate immediately to enable FWR to plan for and to meet those needs in the public interest.

XIII.

There are no other Utilities within the area who are currently able to provide the potable and non-potable services proposed by Applicant, FWR, or who could potentially provide such service. The Applicant has reviewed local plants and facilities and found no other existing entity in a position to provide such service. FWR is in a unique position to coordinate the orderly growth of such services as and when needed and has a greater variety and quantity of available and contiguous sources of supply than any other alternative provider could possibly have based upon this close-working relationship with the related party landowner.

XIV.

The provision of water service in the proposed service territory, including use of existing and proposed facilities as outlined in this Application, will be consistent with the water sections of the local Comprehensive Plans for both Volusia and Brevard Counties as approved by the Department of Community Affairs.

XV.

The parent company of the Applicant is currently providing water services to its own properties at no cost. The Applicant plans to begin providing service to all customers within its service territory after obtaining control of all water facilities owned by the landowner within the very near future and will begin providing that service for compensation immediately after certification and rate approval by the Commission. Until such time as the

Commission grants certification and approval of appropriate rates and charges, the Applicant may or may not need to begin providing that service pending final approval by the PSC.

XVI.

Attached hereto as **Exhibit "B"** is a statement and table concerning the number of equivalent residential connections proposed to be served by FWR by meter size and customer class.

XVII.

Also included in **Exhibit "B"** is a description of the type of customers that Farmton Water Resources anticipates providing service to.

XVIII.

Attached hereto as **Exhibit "C"** is a copy of a 99 year lease which provides for continuance use of the land and treatment facilities currently owned by the Utility's related party and from whom the Utility company will lease those facilities and property.

XIV.

Attached hereto as **Exhibit "F"** are the original and two copies of the sample tariff containing all rates, classifications, charges, rules and regulations consistent with Rule 25-9, Florida Administrative Code, which the Applicant herein intends to utilize in providing water service.

XX.

Under Attachment "A" of **Exhibit "A"** is a description of the territory proposed for inclusion in the Utility's certificated service area using township range and section references. A second description using metes and bounds is included as Exhibit "H" to the application. These are in compliance with Rule 25-30.033(1) and 25-30.030(2), F.A.C.

XXI.

Attached hereto as **Exhibit "G"** is a copy of a map showing the township range and section references with the proposed service territory plotted thereon. Because the proposed territory described herein encompasses many square miles, it is not reasonably possible to utilize a map of a scale of 1" = 200 ft., or 1" = 400 ft. as proposed under Subsection (n) of Rule 25-30.033, Florida Administrative Code. A map of that scale under these circumstances would not be feasible or readily usable to the Commission in evaluating this Application. Attached as **Exhibit "G"** is a map utilizing much smaller scales (i.e. 1" = 2500). The Applicant believes Exhibit "G" complies with the provisions and intent of Rule 25-30.033(n), F.A.C. To the extent the Commission disagrees with that interpretation, the Applicant requests a waiver of the specific provisions of Rule 25-30.033(n), to the extent that these maps are inconsistent with the Commission's interpretation of that Rule Subsection.

XXII.

Attached hereto as Table 2-1 of **Exhibit "A"**, are statements regarding the separate capacities of the proposed lines and treatment facilities in terms of ERCs and gallons per day to service the known and anticipated development in the various classes of service. The description of the existing potable water facilities outlining the location, type of treatment, and a drawing of the typical water treatment facility is contained within Section 3 of **Exhibit "A"** hereof. A similar explanation of existing and proposed non-potable fire protection water facilities and proposed bulk raw water facilities are included in Sections 4 and 5 of **Exhibit "A"** respectively. Since the Utility is requesting only a water certificate, there will be no wastewater treatment or effluent disposal and as a result, the requirements of Rule 25-30.033(1)(q), Florida Administrative Code are inapplicable.

XXIII.

The Utility is just beginning operation and has not yet received its first dollar of revenue and will not receive such revenue until such time as the Florida Public Service Commission approves the appropriate rates and charges for the Utility or it is necessary for the Utility to begin charging for such services in advance of such approval. Therefore, no detailed balance sheet or statement of financial condition or operating statement of the Applicant are available. However, included as part of **Exhibit "E"** is information concerning all of the assets of the Utility to be

utilized in the provision of the various types of water service and operation of maintenance expenses anticipated to be incurred in such operation. Those lists of assets and O & M expenses are prepared in accordance with the provisions of Rule 25-30.115, Florida Administrative Code. As such, Applicant believes that these exhibits comply with the requirements of Rule 25-30.032(1)(r) and (s).

XXIV.

Farmton Management, LLC the sole member and manager of the Utility, is the entity which has provided and will continue to provide funding to the Utility as and when needed to ensure that all needs for capital improvements are met in a timely manner and to ensure the continued provision of safe and efficient potable and non-potable water service in the future within the proposed service territory. Attached hereto as **Exhibit "E"** is a balance sheet for Farmton Management, LLC and an affidavit of the Managing Member Representative of Farmton Management, LLC, assuring the Commission that Farmton Management, LLC will fund the capital needs and any operating deficits of the Utility on an as and when needed basis.

XXV.

Attached as part of Attachment "B" of **Exhibit "A"** is a cost study including customer projections supporting the proposed rates and charges and service availability charges.

XXVI.

Attached hereto as support tables B-4, Pages 1 and 2 of Attachment "B" of **Exhibit "A"** are the projected costs of the proposed systems by NARUC account numbers. The related capacity of each system and ERCs in gallons per day is reflected on Table 2-1 for potable and bulk raw water systems and in Section 4.1 of 4.2 for the fire protection system.

XXVII.

Attached hereto as support tables C-1, C-2, and C-3 of Attachment "B" of **Exhibit "A"** are the projected operating expenses of the proposed systems by NARUC account numbers when 80% of design capacity of the system is being utilized.

XXVIII.

The schedules showing the projected capital structure, including the methods of financing the construction operation of the Utility until the Utility reaches 80% of design capacity of the system is attached hereto as support schedule 3 of Attachment "B" - of **Exhibit "A"**. To the extent the financing of a construction of operations or operations is beyond the resources of the Utility, Farmton Management, LLC the sole member and Managing Member of the Applicant herein, will provide all additional funding as and when needed in order to finance such construction operation of the Utility until it reaches that 80% of design capacity level.

XXIX.

Attached hereto as **Exhibit "I"** is an affidavit showing that the Utility has provided notice in accordance with the requirements of Rule 25-30.030, Florida Administrative Code, to all those entitled to such notice. A publication notice in compliance with Rule 25-30.030(7), Florida Administrative Code is due to be published on December 24, 2002. Proof of publication will be provided to the Commission as **Exhibit "J"** immediately after it is received from the newspaper utilized for this purpose. A copy of the appropriate notice has also been provided by regular mail or personal service to each of the customers of the system to be certified. An affidavit of such compliance is attached hereto as **Exhibit "K"**.

XXX.

In accordance with the requirements of Section 367.045(1)(d), Florida Statutes and Rule 25-30.033 and 25-30.020, Florida Administrative Code, enclosed is a check for the filing fee in the amount of \$3,000, which is intended to satisfy the requirements of those rules and statutory sections for a system intended to serve more than 4,000 ERCs.

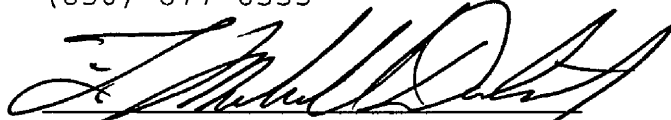
XXXI.

The Applicant herein requests that the Florida Public Service Commission grant the waiver of Rule 25-30.033(1)(n) to the extent such waiver is deemed necessary as requested in Paragraph XXI hereof, and issue a certificate to Farmton Water Resources, LLC to

provide water service to the territory requested in Volusia and Brevard Counties. In addition, Applicant requests that the Commission in its order granting such a certificate, authorize a collection of the rates proposed herein and implementation of the tariffs as included herein.

Respectfully submitted this
20th day of *December*, 2002, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blainstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555



F. MARSHALL DETERDING

miami\certificate.app

021256-111

**ENGINEERING AND FINANCIAL REPORT
IN SUPPORT OF AN
APPLICATION FOR CERTIFICATION
Before The
FLORIDA PUBLIC SERVICE COMMISSION**

PREPARED FOR:

FARMTON WATER RESOURCES, LLC

PREPARED BY:

**HARTMAN & ASSOCIATES, INC.
201 E. PINE STREET, SUITE 1000
ORLANDO, FLORIDA 32801**

DECEMBER 2002

HAI # 01-036.00

DOCUMENT NUMBER - DATE

13919 DEC 20 2

FPSC-COMMISSION CLERK

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LIST OF ATTACHMENTS

- A Legal Description - Proposed Service Area for Farnton Water Resources, LLC November 2001
- B Schedules Supporting Proposed Rates and Charges for Farnton Water Resources, LLC, November 2002

SECTION 1

SECTION 1 INTRODUCTION

1.1 PURPOSE

The purpose of this document is to provide the engineering and financial information necessary to complete the Florida Public Service Commission (FPSC) Application for an Initial Certificate of Authorization for Farnton Water Resources, LLC (FWR), a subsidiary of Farnton Management, LLC, establishing the service area and initial rates and charges. The service area is described later in this section and consists primarily of retail potable water, fire protection, and bulk raw water customers. Several existing and proposed water needs exist within the proposed service area. The creation of the proposed utility is integral in planning for and ensuring the efficient and economical supply of water for the various needs of the proposed service area while protecting the environment. The general project property location is shown in Figure 1-1.

1.2 SCOPE

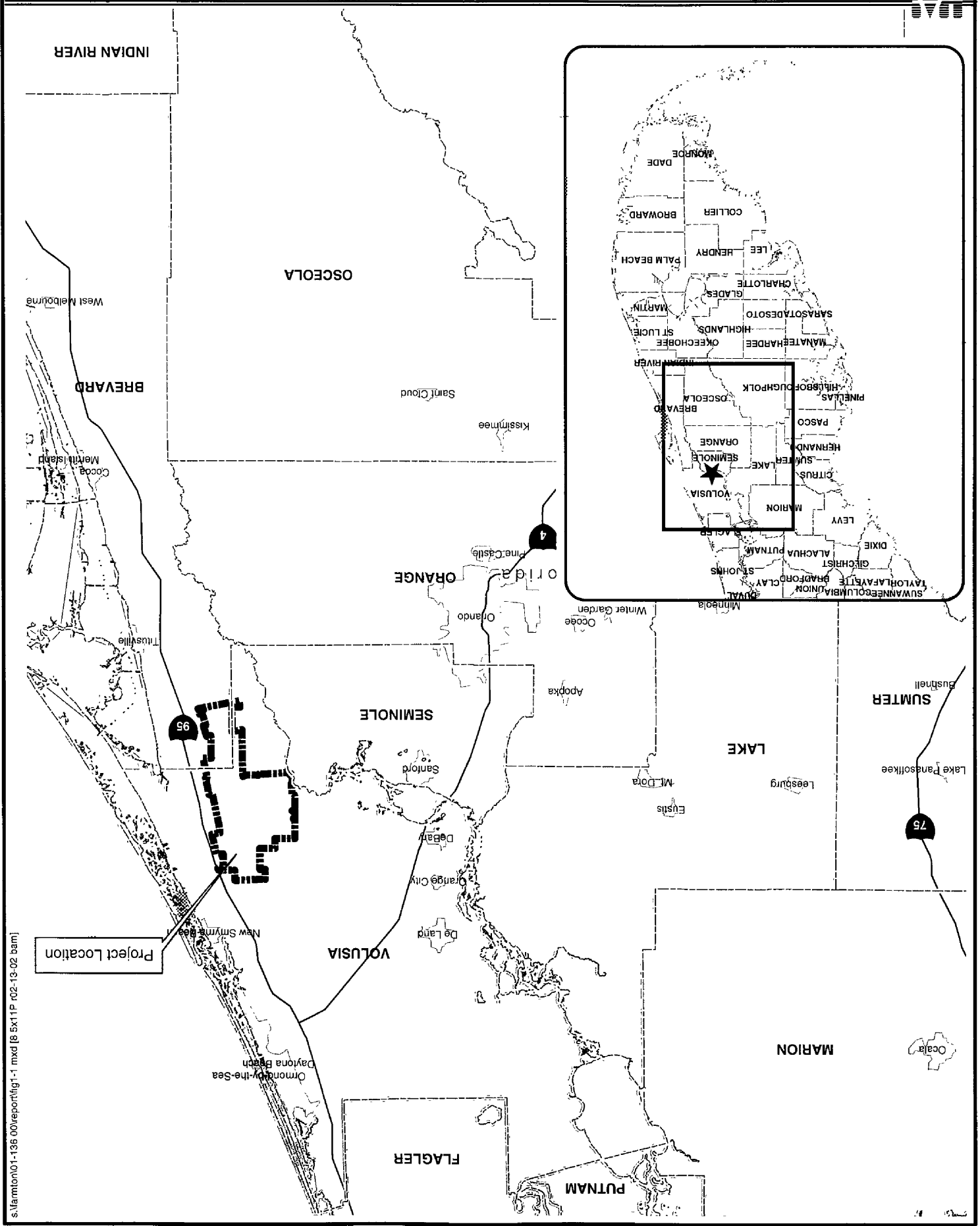
The scope of this document and the information contained herein is defined by the Florida Statutes, (F.S.) and Florida Administrative Code (F.A.C.) associated with the regulation of investor-owned water systems within the State of Florida. Specifically, Chapter 367, F.S. and Chapters 25-9 and 25-30 of the F.A.C. define the specific requirements necessary for the establishment of the service area and initial rates and charges.

1.3 OVERVIEW

FWR was formed primarily to provide water to retail potable, fire protection, and bulk raw water customers. The existing and proposed retail potable water and fire protection will be provided to customers within the proposed service area. The bulk raw water will be provided to utilities outside the proposed service area. The proposed service area boundaries are generally contiguous with the property boundaries of Miami Corporation with the exception of an area within Miami Corporation's property that has already been claimed as the service area of the City of Edgewater. The proposed service area is comprised of approximately 53,000 acres within the counties of Volusia and Brevard and is reflected on Figure 1-2.

PROJECT LOCATION
 FARMTON WATER RESOURCES LLC
 VOLUSIA/BREVARD COUNTY, FLORIDA




FIGURE
 1-1



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LEGEND

-  Proposed FWR Service Area
-  Miami Corporation Property Boundary
-  County Boundary



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Miles



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PROPOSED SERVICE AREA BOUNDARY
FARMTON WATER RESOURCES LLC
VOLUSIA/BREVARD COUNTY, FLORIDA

FIGURE
1-2

The existing and proposed retail potable service is and will be provided to customers across the proposed service area and includes commercial uses such as corporate headquarters, single-family homes and recreational buildings. The fire protection service will be provided across the Miami Corporation property. The bulk raw water will be needed to supply non-potable water outside of the proposed service area. To the extent that entities outside of the service area do not wish to be included in the service area at this time, the planning and development of FWR water resources will place FWR in the position to provide bulk raw water for their use in the future. The customers are discussed in greater detail in Section 2.

1.4 PROPOSED SERVICE AREA

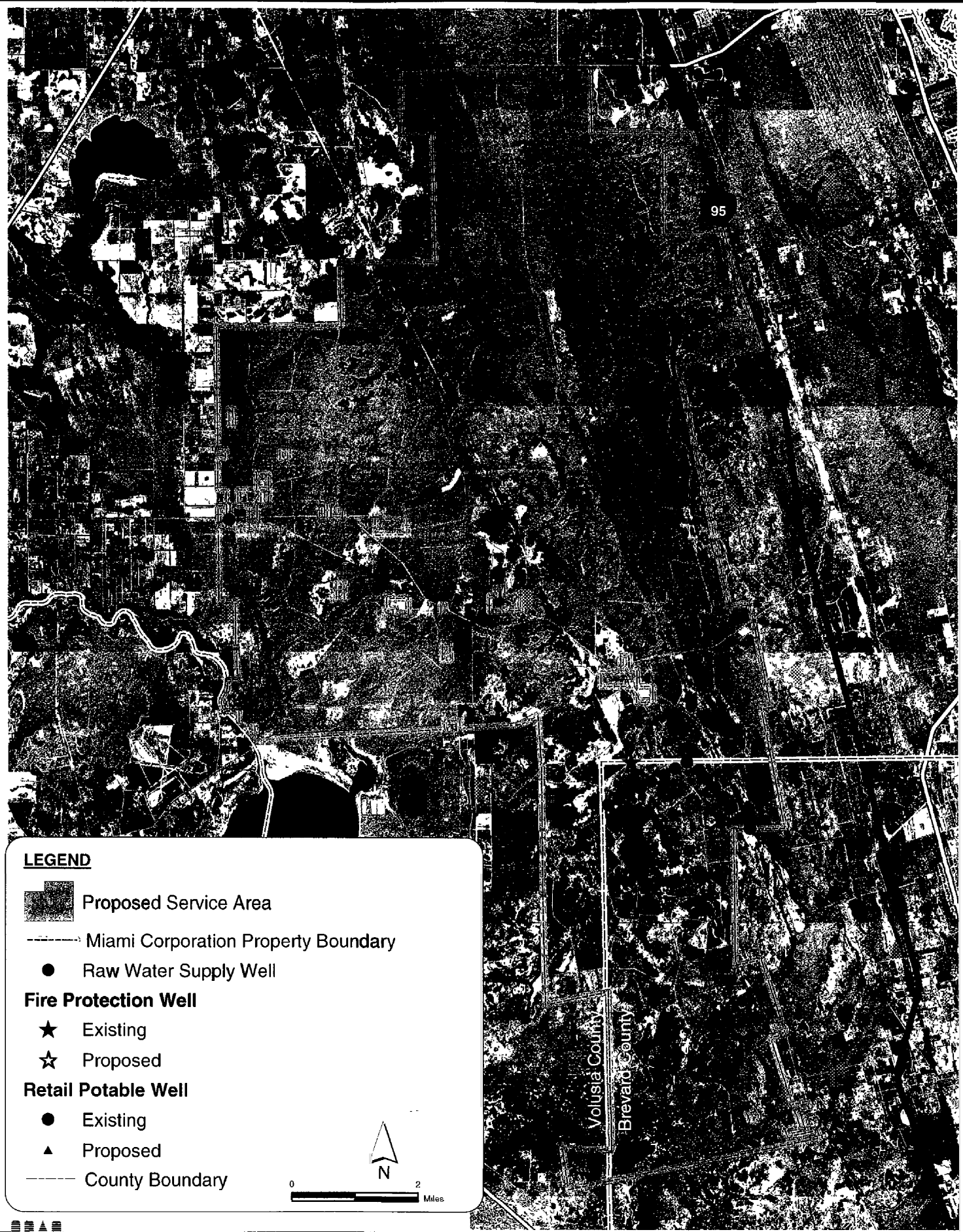
As indicated above, the proposed service area consists of approximately 53,000 acres and is indicated on Figures 1-1 and 1-2. The area to the northeast, which is excluded from the service area, is currently within the City of Edgewater service area. The legal description of the proposed service area is included as "Attachment A" at the end of this report.

1.5 PHASING APPROACH



For planning purposes, the construction of the capital facilities necessary to provide the proposed water services is broken into two phases. Phase I extends from 2002 to 2006 and the Phase II extends from 2007 to 2011. Figure 1-3 indicates the location of the existing and proposed facilities.

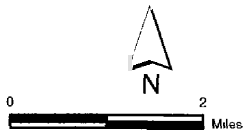
It is anticipated, for rate-setting purposes, that all capital facilities necessary to provide retail potable water supply will be constructed in Phase I. The proposed retail potable water improvements consist of the development and construction of potable water wells and associated equipment to enable FWR to provide dependable potable water service. The costs associated with the provision of retail potable service are discussed in Section 3.

No additional retail customers, beyond Phase I, have been identified at this time. However, we anticipate that in the long-term, the area will become developed. FWR is seeking this Application in part for long-range planning purposes to allow it to be prepared to provide that service as and when needed to any residential, commercial or industrial development in the area. Additional customers beyond Phase I will be served on an as needed basis. The following sections provide details regarding the retail potable water wells.



LEGEND

-  Proposed Service Area
-  Miami Corporation Property Boundary
- Raw Water Supply Well
- Fire Protection Well**
- ★ Existing
- ☆ Proposed
- Retail Potable Well**
- Existing
- ▲ Proposed
- County Boundary



Volusia County
Brevard County

The facilities necessary for the provision of the fire protection water supply will be constructed during Phase I and will consist of the development and construction of 10 fire protection wells. The wells will be strategically located throughout the service area to enhance the fire fighting capabilities of Miami Corporation. Additional wells beyond the initial 10 are not proposed at this time. Section 4 provides details regarding the fire protection wells.

During Phase I, the construction of capital facilities necessary to provide bulk raw water supply will consist of the development and construction of seven bulk raw water supply wells and the associated equipment and water transmission mains. Eight additional water supply wells will be constructed during Phase II. Section 5 provides details regarding the bulk raw water supply wells.

1.6 RATES AND CHARGES

The proposed initial rates and charges were developed in accordance with FPSC requirements and Florida Statutes and are discussed in Section 6. The proposed rates and charges have been calculated utilizing the customer and demand projections as contained in Section 2 and the engineering estimates found in Sections 3 through 5.

SECTION 2

SECTION 2 CUSTOMER PROFILE

2.1 TYPES OF SERVICES TO BE PROVIDED

As indicated in the previous section, FWR will be providing three types of water service. The types of water service are retail potable, fire protection, and bulk raw water service for neighboring utilities outside of the proposed service area.

The retail potable water service will consist of small treatment facilities that will pump raw water from 4-inch wells and disinfect the water with chlorine before delivering to the customers. Flow meters will be added to these facilities to provide an accurate account of water sold. The retail potable water treatment facilities will be located near the proposed customers as shown in Figure 2-1. One existing well will be used for future retail service (label 1R) and 6 will be constructed (labels 2R – 7R).

The fire protection water service will consist of supplying additional well capacity to assist in fire protection within the service area. The additional fire protection capacity will be provided by several water supply wells located within the service area as shown in Figure 2-2. The wells are labeled 1F – 12F. Two (2) of these currently exist, and ten (10) will be constructed.






The bulk raw water service will consist of pumping water from wells and delivering it to the entity(s) in need of such water for treatment to potable drinking water standards. It is anticipated that nearby water utilities will be in need of additional bulk raw water. Water supply forecasts from the St. Johns River Water Management District (SJRWMD) indicate that resources may be stressed and alternative water supplies may be needed. Expansion will be provided for this system as additional capacity is needed. Figure 2-3 shows the proposed raw water supply well locations at the end of Phase II. The proposed bulk raw water wells are labeled 1B - 15B.

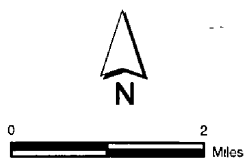
2.2 DATE OF INITIAL SERVICE

It is anticipated that the retail potable and fire protection water services will begin operation immediately after final approval by the FPSC of the service area and initial rates and construction of the necessary infrastructure. Further, it is anticipated that bulk raw service will








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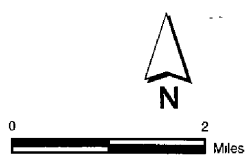
-  Proposed Service Area
-  Miami Corporation Property Boundary
-  County Boundary
- Retail Potable Well**
-  1R Existing
-  2R Proposed

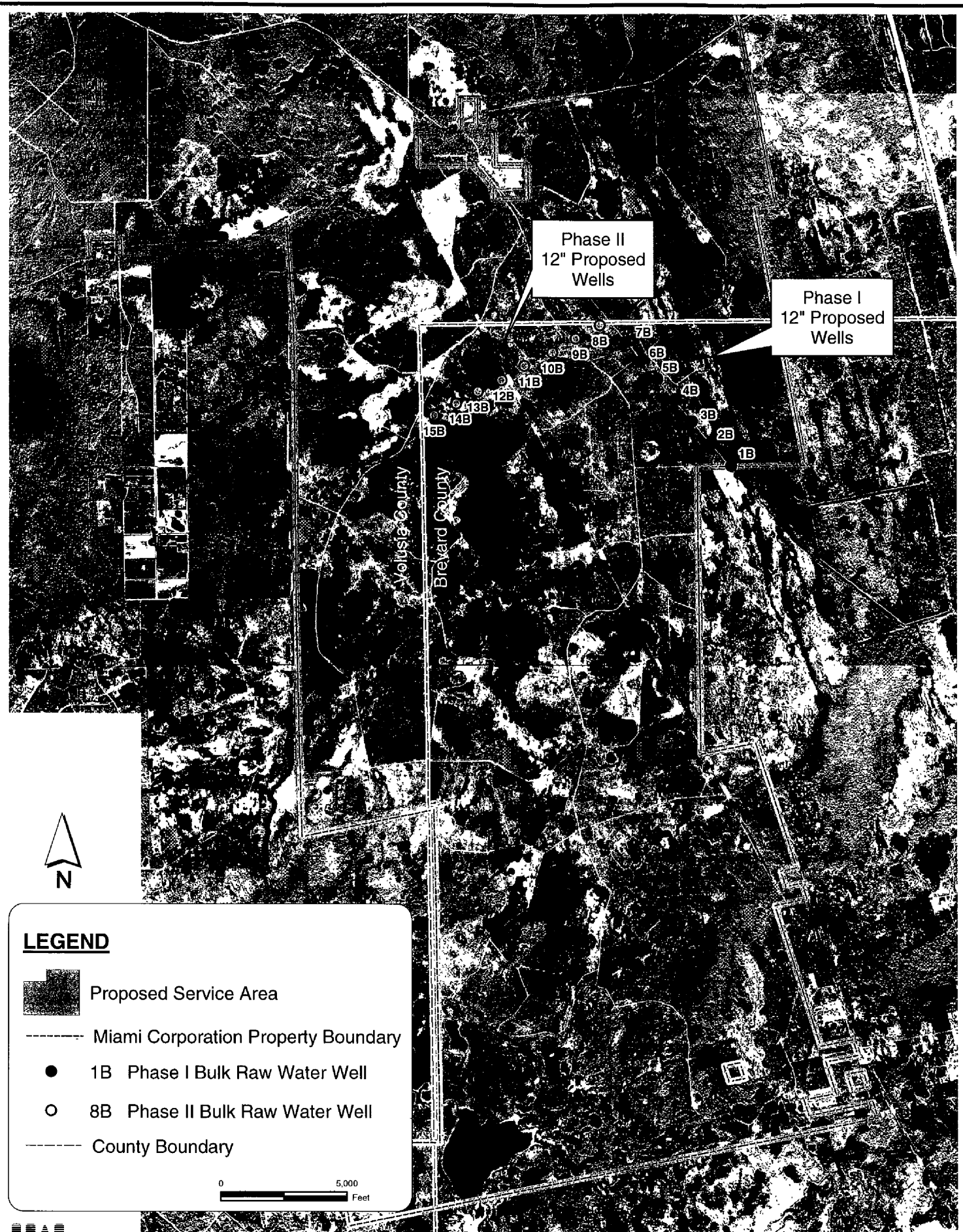









LEGEND

-  Proposed Service Area
-  Miami Corporation Property Boundary
- Fire Protection Well**
-  Existing
-  Proposed
-  County Boundary





LEGEND

-  Proposed Service Area
-  Miami Corporation Property Boundary
-  1B Phase I Bulk Raw Water Well
-  8B Phase II Bulk Raw Water Well
-  County Boundary



begin after FPSC approval and successful negotiations with other utilities in need of raw water. However, until such time as the FPSC grants certification and approval of appropriate rates and charges, FWR may or may not provide that service at no cost pending final approval by the FPSC. Additional facilities will be constructed when the need for additional water supply is realized.

2.3 CUSTOMER DEMANDS

Currently, there is an existing 4-inch potable water well within the proposed service area. The existing well serves Miami Corp. Headquarters and an adjacent residential unit. Other existing units that require potable water service include a game and wildlife check station, two (2) hunting camps, and the Clark Cattle House. Two (2) additional hunting camps will be constructed and served during Phase I. In order to serve the existing and proposed retail potable customers, 6 new wells will need to be constructed. Therefore, retail potable service will initially be provided by a total of seven (7) wells, 1 existing and 6 newly constructed. However, we anticipate that in the long-term, the area will become developed. The Utility is seeking this Application in part for long-range planning purposes to allow it to be prepared to provide that service as and when needed within any residential, commercial or industrial development in the area.

It should be noted that Miami Corporation has received a formal request for retail services by the Miami Tract Hunt Club, Inc. This club will be utilizing the retail potable water facilities at the two (2) existing hunting camps and the two (2) proposed hunting camps. The letter request indicates that the club has 260 member families. Demand for these 260 member families has been estimated based on an average of 2.5 persons per family with usage of 50 gpd per person. Annual demand was then calculated based on the member families needing service approximately six months out of the year. In order to calculate Equivalent Residential Connections (ERCs), the projected daily demand was correlated to an ERC based on 350 gpd/ERC.

It is also anticipated that nearby water utilities will be in need of bulk raw water. Based upon water supply analyses of the SJRWMD, up to 2.75 MGD AADF may be needed over the 10 year planning horizon to supply to other utilities. As such, the preliminary estimates of the number and size of wells needed, well spacing, and average pumping rates have been made in order to develop cost estimates and initial rates and charges. It is estimated that facilities will be

constructed to provide a Phase I bulk raw water capacity of approximately 2.25 MGD AADF and a Phase II bulk raw water capacity of approximately 2.75 MGD AADF. The estimated demands were correlated to ERC based on a demand of 350 gallons per day (gpd) per ERC. Table 2-1 shows the projected demands and estimated ERCs.

TABLE 2-1

Estimated Retail and Bulk Water Demands

Phase	Year	Retail Potable Water Demand		Bulk Raw Water Demand	
		GPD ⁽¹⁾	ERC ⁽²⁾	GPD ⁽¹⁾	ERC ⁽²⁾
I	2002	17,300	49	1,160,000	3,314
I	2003	17,300	49	1,250,000	3,571
I	2004	33,550	96	1,340,000	3,829
I	2005	33,550	96	1,700,000	4,857
I	2006	33,550	96	1,900,000	5,429
II	2007	33,550	96	2,075,000	5,929
II	2008	33,550	96	2,400,000	6,857
II	2009	33,550	96	2,530,000	7,229
II	2010	33,550	96	2,650,000	7,571
II	2011	33,550	96	2,750,000	7,857

- Notes: (1) Average Annual Daily Flow.
(2) ERCs are based upon 350 GPD/ERC.

SECTION 3

SECTION 3

EXISTING AND PROPOSED RETAIL POTABLE WATER FACILITIES

3.1 EXISTING AND PROPOSED RETAIL POTABLE WATER FACILITIES

Currently there is one potable water supply well within the proposed service area, at Miami Corporation headquarters, which serves the Miami Corporation headquarters and an adjacent house. This well will be leased to FWR once the utility is authorized by the FPSC or just prior to the time the Utility begins providing service for compensation, if before the FPSC's final approval. FWR will upgrade the well and pumping system as needed at that time. There are other water wells at several hunting camps and at the Clark Cattle House. However, the condition of the wells is suspect at this time and they are not considered viable as potable water wells. FWR has planned the construction of potable water treatment facilities to accommodate customer needs. As discussed in the previous section, the existing locations that require potable water service include Miami Corporation Headquarters and an adjacent house, which are served by an existing well. The game and wildlife check station, four (4) hunting camps, and the Clark Cattle House will each require a new well. This requires that six (6) new wells to be constructed.

Figure 3-1 shows the location of the existing and projected retail potable water customers within the proposed service area.






The customers within the FWR service area will be serviced by newly constructed potable water treatment facilities located near each customer unit. One of the first steps after approval by the FPSC is to construct several new potable water treatment facilities and initiate the sale of retail potable water to these customers.

The proposed facilities will provide a location near each customer for water quality control, maintenance and the treatment of potable water. Figure 3-2 shows the general profile of the typical potable water supply treatment facilities.

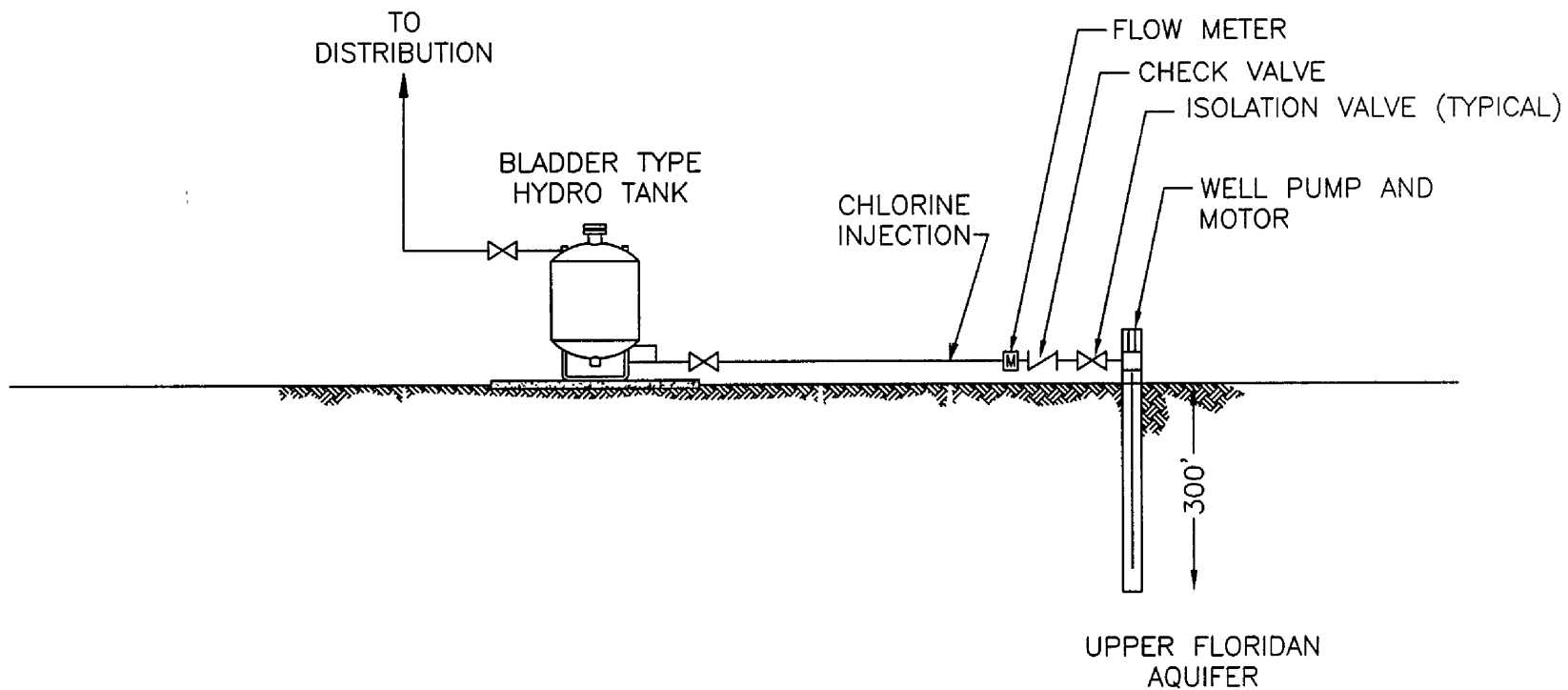
A potable water supply facility will be designed to provide safe and reliable potable water service to the customers within the proposed service area. Raw water for each facility will be pumped



LEGEND

-  Proposed Service Area
-  Miami Corporation Property Boundary
- Retail Potable Well**
-  Existing
-  Proposed
-  County Boundary





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**TYPICAL RETAIL POTABLE WATER SUPPLY
 WATER TREATMENT SCHEMATIC
 FARMTON WATER RESOURCES LLC
 VOLUSIA / BREVARD COUNTY, FLORIDA**

**FIGURE
 3-2**

from the Upper Floridan aquifer through a 4-inch well. A 100-gallon bladder type hydropneumatic tank will be utilized at each location along with chlorination for disinfection. These facilities should be sufficient to provide service for the projected planning period. As the need for additional capacity is realized, FWR will construct the necessary facilities to meet such demands.

Each retail user will be metered with a 5/8" meter to determine usage for billing purposes.

3.2 ESTIMATED CAPITAL COSTS

It is estimated that the capital cost for the initial construction of the 6 proposed retail potable water wells and associated equipment is \$43,250. Each potable water treatment plant will include the construction of a new well, a 100-gallon bladder type hydropneumatic tank, chlorination, transmission and distribution piping, and customer meters. The initial capital costs associated with the new retail potable water treatment facilities are presented in Table 3-1.

3.3 ESTIMATED OPERATION AND MAINTENANCE COSTS

The primary costs that are typically associated with the operation and maintenance of a retail potable water facility are:

- Power
- Chemical
- Labor

Due to the low horsepower requirements of the well pumps, the power costs are minimal. Likewise, chemical (chlorine) costs will be minimal (less than one dollar per day). It is presumed that maintenance services will be contracted out by FWR to a third party maintenance provider. The primary maintenance will be periodic inspection and repair of the wells and chlorinators and site maintenance (mowing). Once again, due to the small size of the wells and number of customers, permitting and water quality analysis costs will be minimal. A royalty payment is included in the FWR O&M Costs. This payment is intended to compensate the landowner, Miami Corporation, for the use of the land and the lost opportunity to the landowner as a result of FWR utilizing the property for utility purposes. In addition, a portion of the royalty payment is intended to compensate Miami Corporation for the use of existing facilities leased to FWR. A separate lease agreement will address the specific terms and conditions associated with

the royalty payment. The royalty payment has been calculated in terms of demand and is applied to every 1,000 gallons of water consumed. The royalty payment has been calculated at \$0.10 per 1,000 gallons. Table 3-2 presents the estimated O&M costs for the retail potable water facilities.

Table 3-1
FARMTON WATER RESOURCES LLC
Estimated Capital Cost
Retail Water Supply

NARUC Account Number	Description	Quantity	Unit	Unit Cost	Total Total Cost
307.1	4" well, pump, motor and controls	6	EA	\$ 2,500	\$ 15,000
330.4	100-Gallon Bladder Type Hydropneumatic Tank	6	EA	500	3,000
320.3	Chlorinators	6	EA	200	1,200
311.2	Sitework	6	EA	500	3,000
311.2	Electrical (Site & Transmission)	1	LS	10,000	10,000
311.2	Yard Piping	6	EA	100	600
334.4	5/8" X 3/4"	6	EA	300	1,800
	Subtotal				\$ 34,600
	Engineering & Permitting @ 25%				8,650
	TOTAL RETAIL SUPPLY				\$ 43,250

Table 3-2
FARMTON WATER RESOURCES LLC
Estimated O&M Costs
Retail Water Supply

Year	Purchased Power	Contractual Services (Contract Operations)	Contractual Services (Lab Services)	Rent (Royalty Payment)	Total
2002	\$ 60	\$ 5,200	\$ 2,500	\$ 330	\$ 8,090
2003	60	5,200	-	330	5,590
2004	90	5,200	2,500	630	8,420
2005	90	5,200	-	630	5,920
2006	90	5,200	-	630	5,920
2007	90	5,200	2,500	630	8,420
2008	90	5,200	-	630	5,920
2009	90	5,200	-	630	5,920
2010	90	5,200	2,500	630	8,420
2011	90	5,200	-	630	5,920

SECTION 4

SECTION 4

EXISTING AND PROPOSED FIRE PROTECTION WATER FACILITIES

4.1 EXISTING AND PROPOSED FIRE PROTECTION FACILITIES

There are currently two fire protection wells within the proposed service area. These wells are owned by Miami Corporation and as with the existing potable well, Miami Corporation will lease the fire protection wells to FWR once FWR is authorized by FPSC or just prior to the time the Utility begins providing service for compensation, if before the FPSC's final approval.

The existing wells include two 4-inch fire protection wells which are approximately 200 feet in depth and are utilized in the event of a forest fire. The wells do not have permanently installed pumps or power. In the event of fire, a portable pump and generator is transported to the well nearest the fire and a suction line is attached to the well to fill a tanker truck. In addition to two (2) existing fire protection wells, it is anticipated that ten (10) four-inch fire protection wells will be constructed for future use. Figure 4-1 shows the existing and proposed fire protection well locations. Figure 4-2 is a schematic diagram of a typical fire protection well.

4.2 ESTIMATED CAPITAL COSTS






It is estimated that the cost for the initial construction of the ten (10) proposed fire protection wells including the necessary permitting and engineering fees is estimated at approximately \$25,000. The initial construction costs associated with the fire protection facilities are listed in Table 4-1.


4.3 ESTIMATED OPERATION AND MAINTENANCE COSTS


Due to the highly variable use of the fire protection wells and the fact that Miami Corporation will provide the portable pump and generator needed for fire fighting, the O&M costs are primarily for well site maintenance. It is estimated that maintenance will be required quarterly. The total estimated annual O&M cost is \$300/well for a total of \$3,600/year.

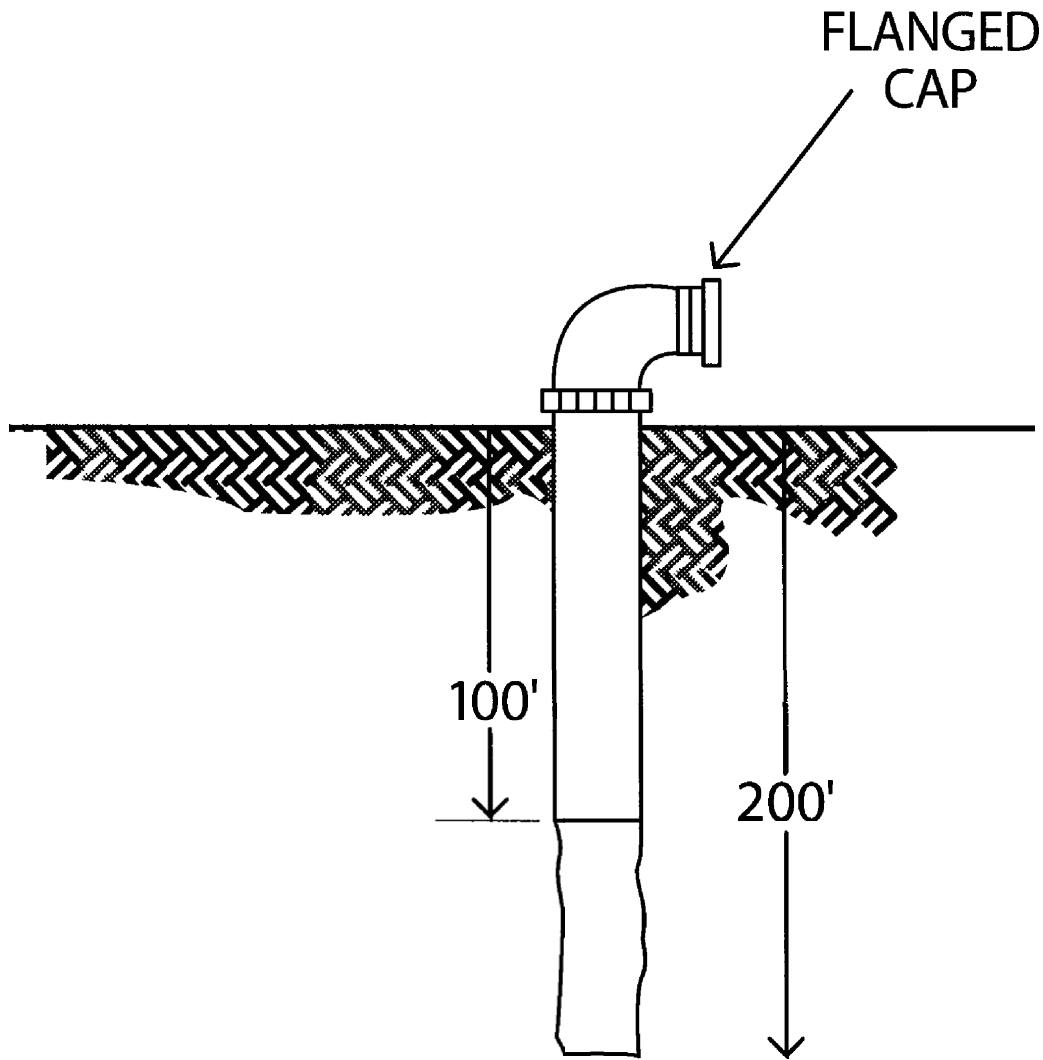


LEGEND

-  Proposed Service Area
-  Miami Corporation Property Boundary
- Fire Protection Well**
-  Existing
-  Proposed
-  County Boundary


 N


 0 2 Miles



UPPER FLORIDAN
AQUIFER

TYPICAL FIRE PROTECTION WATER SUPPLY WELL SCHEMATIC
 FARMTON WATER RESOURCES LLC
 VOLUSIA / BREVARD COUNTY

HARTMAN & ASSOCIATES, INC.

engineers, hydrogeologists, surveyors, & management consultants
 201 EAST PINE STREET - SUITE 1000 - ORLANDO, FL 32801
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FIGURE
4 - 2

Table 4-1
FARMTON WATER RESOURCES LLC
Capital Cost
Fire Protection Water Supply

NARUC Account Number	Description	Quantity	Unit	Unit Cost	Total Cost
307.1	4" well	10	EA	\$2,000	\$ 20,000
	Subtotal				20,000
	Engineering & Permitting @ 25%				\$ 5,000
	TOTAL FIRE PROTECTION				\$ 25,000

SECTION 5

SECTION 5 PROPOSED BULK RAW WATER FACILITIES

5.1 PROPOSED BULK RAW WATER FACILITIES

FWR is proposing to provide bulk raw water to neighboring utilities. The proposed bulk water supply wells and pumping facilities will provide enough water to make up for water supply deficits estimated by the St. Johns River Water Management District and the utilities. The Phase I bulk raw water facilities will provide water to meet a projected total demand of approximately 2.25 MGD AADF and the Phase II bulk raw water facilities will provide water to meet a projected total demand of approximately 2.75 MGD AADF.

The required facilities to meet these demands will be constructed immediately following FPSC authorization and successful negotiations with neighboring utilities.

It is estimated that seven wells will be constructed initially and ultimately fifteen (15) 12-inch wells will be required to meet the 2.75 MGD AADF demand over the 10-year planning period. By establishing a bulk raw water rate at this time, the utility will be given the opportunity to begin long-range planning for the development of future water needs both inside and outside the proposed service area. In this way, such services, including bulk raw water service, will be available when needed and at the most economical and efficient price. The total number of wells and well capacities are estimated. The SJRWMD has final jurisdiction over withdrawal rates and locations so the estimated and proposed withdrawal rates presented in this application may change during the water use permitting process. We have assumed, based upon meetings with the SJRWMD, that wetland impacts may occur if the pumping of groundwater is concentrated in a small area. For that reason we have spaced the proposed wells on 1,000 foot centers and designed them to pump 350 gallons per minute, or 0.500 million gallons per day. The SJRWMD may require additional aquifer testing in order to better estimate potential wetland impacts. The testing and subsequent review by the SJRWMD may result in relocating some of the proposed production wells, and/or adjusting pumping rates, and the total number of wells. Assuming for firm pumping capacity, as required by the FDEP, 20% of the proposed fifteen (15) wells are out of service, the firm pumping capacity would be 6.0 MGD. This is 2.18 times the average day demand of 2.75 MGD. The firm pumping capacity of 6.0 MGD is anticipated to be the maximum daily demand of the neighboring utilities.

This raw water supply will be pumped from the proposed wellfield located in the southeast region of the service area near the Brevard County/Volusia County line where it will be metered and delivered to bulk customers. It is proposed to provide 1,000 feet spacing between the wells. The proposed location of the wellfield is shown in Figure 5-1. Withdrawals will be through 12” diameter wells approximately 300 feet deep completed into the Upper Floridan aquifer. A typical bulk raw water well is shown in Figure 5-2.

5.2 ESTIMATED CAPITAL COSTS

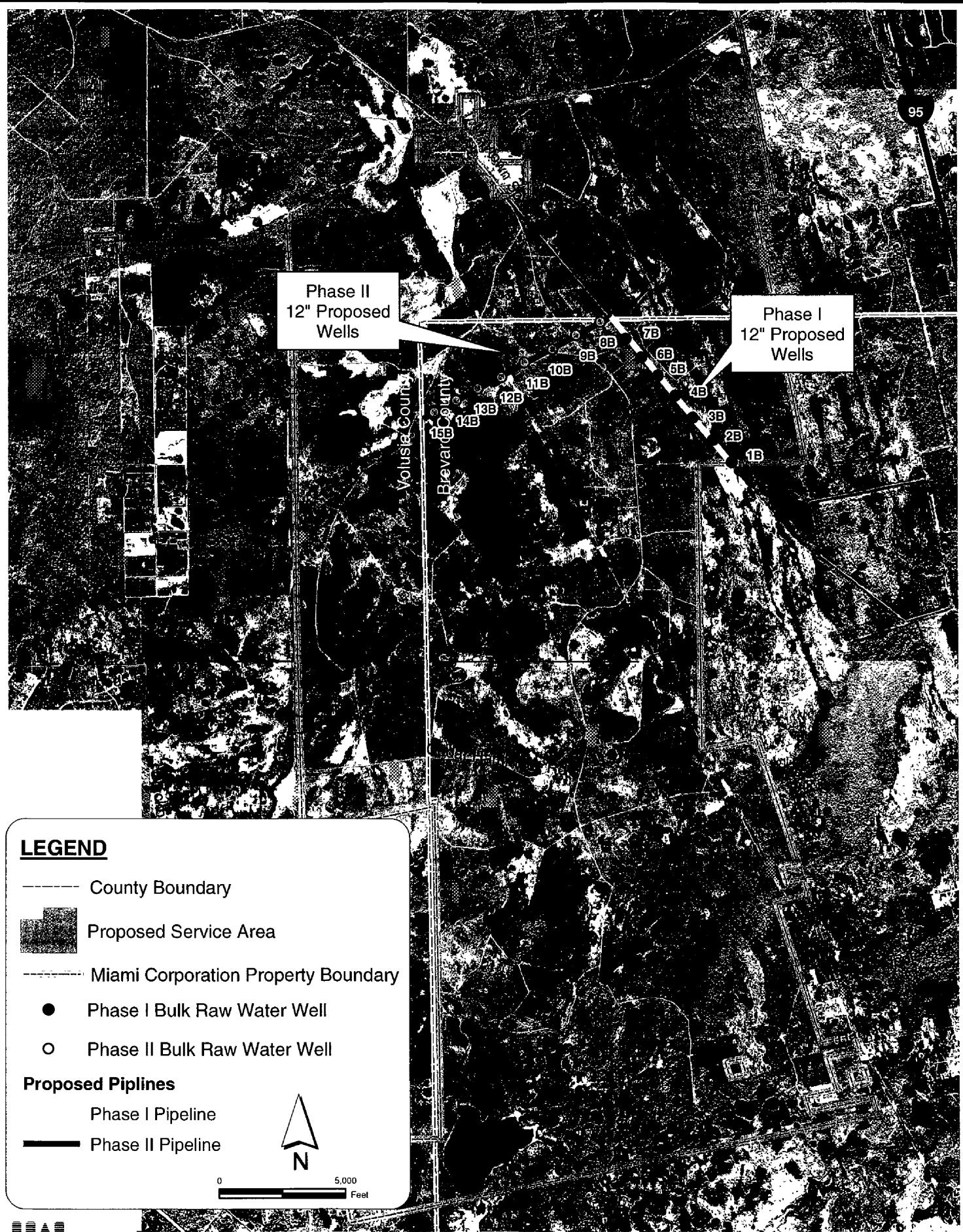
It is estimated that the Phase I capital cost of the proposed bulk raw water operation including the necessary permitting and engineering fees is approximately \$2,913,600. The Phase I and II bulk raw water facilities will include the construction of fifteen (15) new wells, associated facilities and a wholesale meter for a total estimated cost of \$5,274,000. The estimated capital costs associated with the bulk raw water facilities are listed in Table 5-1.

5.3 ESTIMATED OPERATION AND MAINTENANCE COSTS

The costs that are typically associated with the operation and maintenance (O&M) of bulk raw water pumping facilities are:

- Power
- Labor
- Permitting/Water Quality Analysis

Chemical costs are not applicable as the raw water will not be chlorinated. It is presumed that maintenance services will be contracted out by FWR to a third party maintenance provider licensed to provide such services. The primary maintenance will be periodic inspection and repair of the wells and controls and site maintenance (mowing). A royalty payment is included in the FWR O&M Costs. This payment is intended to compensate the landowner, Miami Corporation, for the use of the land and the lost opportunity to the landowner as a result of FWR utilizing the property for utility purposes. In addition, a portion of the royalty payment is intended to compensate Miami Corporation for the use of existing facilities leased to FWR. A separate lease agreement will address the specific terms and conditions associated with the royalty payment. The royalty payment has been calculated in terms of demand and is applied to every 1,000 gallons of water consumed. The royalty payment has been calculated at \$0.10 per 1,000 gallons. The estimated O&M costs are presented in Table 5-2.



LEGEND

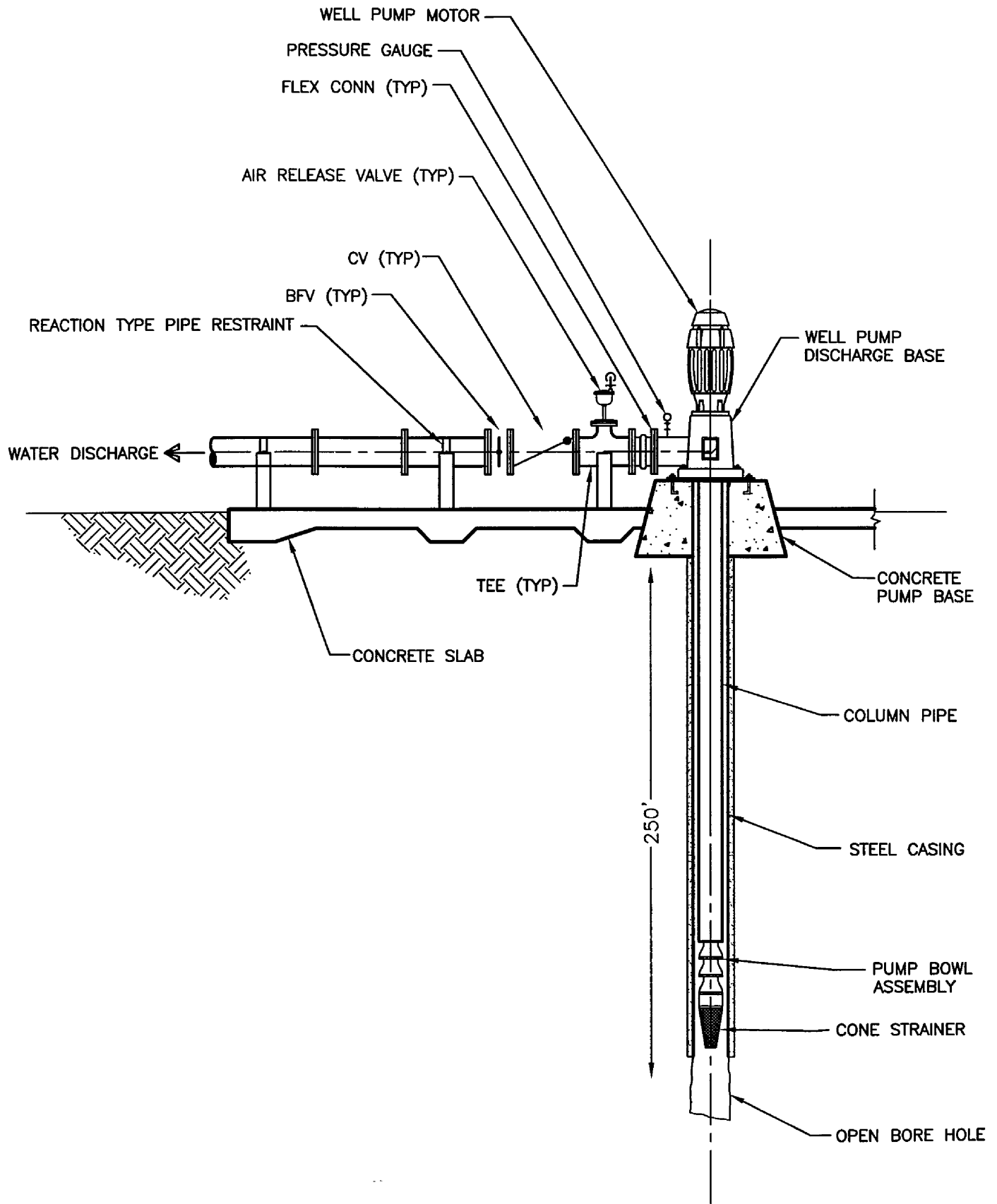
- County Boundary
- Proposed Service Area
- Miami Corporation Property Boundary
- Phase I Bulk Raw Water Well
- Phase II Bulk Raw Water Well

Proposed Piplines

- Phase I Pipeline
- Phase II Pipeline

N

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Feet



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**TYPICAL WELL
 PUMP AND MOTOR
 FARMTON WATER RESOURCES LLC
 VOLUSIA / BREVARD COUNTY, FLORIDA**

**FIGURE
 5-2**

Table 5-1
FARMTON WATER RESOURCES LLC
Capital Cost
Bulk Raw Water Supply

NARUC Account Number	Description	Quantity	Unit	Unit Cost	Total Cost
Phase I					
307.1	12" well, pump, motor and controls	7	EA	\$ 150,000	\$ 1,050,000
304.2	Well and Control Building (400 s.f.)	7	EA	10,000	70,000
311.2	Sitework	7	EA	2,000	14,000
311.2	Electrical (Site)	7	EA	10,000	70,000
311.2	Electrical (Transmission)	1	LS	200,000	200,000
311.2	Yard Piping, Valves	7	EA	2,000	14,000
331.4	24" PVC Pipe to Service Area Boundary (ft)	8,000	FT	120	960,000
331.4	Telemetry	1	LS	50,000	50,000
	Subtotal				\$ 2,428,000
	Engineering & Permitting @ 20%				485,600
	Total Phase I				\$ 2,913,600
Phase II					
307.1	12" well, pump, motor and controls	8	EA	\$ 150,000	\$ 1,200,000
304.2	Well and Control Building (400 s.f.)	8	EA	10,000	80,000
311.2	Sitework	8	EA	2,000	16,000
311.2	Electrical (site)	8	EA	10,000	80,000
311.2	Yard Piping, Valves	8	EA	2,000	16,000
331.4	16" PVC Transmission Pipe (ft)	7,000	FT	75	525,000
331.4	Telemetry	1	LS	50,000	50,000
	Subtotal				\$ 1,967,000
	Engineering & Permitting @ 20%				393,400
	Total Phase II				\$ 2,360,400
	TOTAL ALL PHASES				\$ 5,274,000

Table 5-2
FARMTON WATER RESOURCES LLC
Estimated O&M Costs
Bulk Raw Water Supply

Year	Purchased Power	Contractual Services (Contract Operations)	Contractual Services (Lab Services)	Rent (Royalty Payment)	Total
2002	\$ 40,300	\$ 10,400	\$ 7,000	\$ 42,300	\$ 100,000
2003	48,600	10,400	7,000	45,600	111,600
2004	57,300	10,400	7,000	48,900	123,600
2005	65,300	10,400	7,000	62,100	144,800
2006	73,700	15,600	7,000	69,400	165,700
2007	106,600	15,600	15,000	75,700	212,900
2008	117,900	15,600	15,000	87,600	236,100
2009	129,600	15,600	15,000	92,300	252,500
2010	140,900	15,600	15,000	96,700	268,200
2011	152,700	20,800	15,000	100,400	288,900

SECTION 6

SECTION 6 FINANCIAL INFORMATION AND RATE DESIGN

6.1 SYSTEM FINANCIAL REQUIREMENTS

The potable retail, fire protection, and bulk raw water rates discussed in this section were developed on a cost of service basis and in accordance with FPSC rules and Florida Statutes wherein associated costs are equitably recovered from each customer pursuant to the level of service enjoyed by that customer.

6.1.1 Test Year

As previously mentioned, the system is being built in phases from 2002 through 2011. Phase I (2002 – 2006), will include the initial start-up of the utility. One existing retail well and 2 existing fire protection wells will be leased to FWR from their current owner. Also, additional retail and fire protection, as well as the initial bulk raw water wells and lines will be constructed during this phase. In Phase II, 8 additional bulk raw water wells will be constructed. When a utility is being built in phases, it is standard practice to set rates based on the Utility operating at 80% of design capacity of the first phase. However, since Phase I involves additional costs for start-up inefficiencies and capital costs for lines that will be used for demand in additional phases, the resulting rates would be inflated and not indicative of the services that are being received. Therefore, we feel that it would be more appropriate to incorporate the total design capacity of Phases I and II and determine the Test Year based on 80% of the design capacity of these two phases. Based on this assumption, the Test Year for this project is 2009.

6.1.2 Financial Requirements

System financial requirements consist of capital, operating, maintenance, depreciation, and monetary needs necessary to provide, maintain, and continue quality services to meet the goals of the utility with regard to operations. Funding of capital requirements is generally provided from sources other than direct user rates and charges, such as impact fees, service availability charges, debt obligations, or contributions. However, capital needs not funded from these sources can be recovered through user rates and charges.

Financial requirements can generally be separated into three primary categories: 1) Operating and Maintenance Expenses (O&M), 2) Depreciation and Amortization, and 3) Other Expenses. As previously mentioned, O&M expenses of this Utility will consist of purchased power, rents, contractual services for operating and maintaining the system, and other miscellaneous costs. Depreciation and amortization expenses will be based on the useful lives of the assets of a Class C Water Utility pursuant to Rule 25-30.115 of the Florida Administrative Code. Other expenses will include such items as regulatory assessment fees, state and federal taxes, and return on investment.

6.1.3 Return on Investment

In addition, since FWR is a private utility, it will be able to receive a rate of return based on its cost of equity and debt. With regard to the cost of equity capital, annually, the Florida Public Service Commission issues an order establishing the authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f) of the Florida Statutes. The most recent order (PSC-02-0898-PAA-WS), issued July 5, 2002 and consummating order (PSC-02-1252-CO-WS) issued September 11, 2002, established the following leverage formula:

$$\text{Return on Common Equity} = 9.65\% + 0.582/\text{Equity Ratio}$$

Based on this formula, the range of return on common equity goes from 10.23% at 100% equity to 11.10% at 40% or less equity.

If FWR has a need for debt financing, its parent company, Farmton Management LLC, has the resources necessary to loan funds to FWR. It is anticipated that the terms of any loan will include repayment over a 30-year period. In determining the interest rate in this transaction, we set the interest rate equal to prime plus 2 percent.

Based on these results, any funds needed in the initial start-up will be at the prime rate as of November 2002 plus 2 percent. Any additional funds needed after the current year are projected based on the 10-year average of the prime rate plus 2 percent.

In formulating the financial requirements and resulting rates, certain assumptions were made regarding the levels of Contributions in Aid of Construction (CIAC) for the various rate classes and the level of equity contribution for the entire Utility. Table 6-1 below, portrays the levels of CIAC and equity contribution.

Table 6-1
CIAC and Equity Contribution

Contributions in Aid of Construction (CIAC)			Equity Contribution	
Retail	Fire Protection	Bulk Raw Water	Debt	Equity
75%	100%	60%	60%	40%

The primary differences in the financial requirements used for ratemaking are the amounts of depreciation, amortization, and the amount of the allowed return on investment. Table 6-2 summarizes the Test Year financial requirements. Detailed information on the financial requirements for each type of service can be found on Support Tables B-5, B-7, C-1, C-2, C-3, D-1, D-2, and D-3.

Table 6-2
Test Year 2009 Projected Financial Requirements

	Retail	Fire Protection	Bulk Raw Water
O&M	\$ 6,512	\$ 3,960	\$ 277,750
Depreciation/Amortization	591	0	89,006
Other Expenses ⁽¹⁾	435	188	44,618
Return on Investment	685	45	159,621
Total Financial Requirements	\$ 8,223	\$ 4,193	\$ 570,995
Allowed Return on Investment (%)	9.000 %	9.000 %	9.000 %

Note: (1) Includes regulatory assessment fees and federal and state taxes.

6.2 RATE DESIGN

6.2.1 Cost of Service Allocations

Utility ratemaking cost of service method requires that there be a reasonable relationship between the costs of services and the benefits received by the customer. It is important to recognize that service/benefits are varied and to a large extent not always evident to the customers of the utility. Customers generally associate services/benefits with the metered usage of water; however, more importantly and costly are the underlying infrastructure capacity and readiness to serve. Most of these services/benefits have associated capital costs and fixed O&M expenses. Although some of the capital costs will be provided upon initial connection to the utility, others require funding through user rates and charges.

Once the net financial requirements were determined for the Test Year, they were reallocated according to various cost of service principles in order to design the proposed monthly retail, fire protection, and bulk raw water rates. Specifically, the financial requirements were allocated to a base charge and a gallonage charge. In general, it can be construed that fixed costs such as meter reading, billing, customer service, and certain capital related costs and operating expenses should be recovered through a monthly base charge, whereas certain other fixed and variable expenses and capital expenses are recovered through a gallonage charge. Summarized below in Table 6-3 are the results of these allocations.

Table 6-3
Test Year 2009 Financial Requirements Per Rate Element

Rate Component	Retail	Fire Protection	Bulk Raw Water
Minimum Base Facility Charge	\$ 4,114	\$ 4,192	\$ 270,239
Gallonage Charge	4,109	0	300,755
Total	\$ 8,223	\$ 4,192	\$ 570,994

6.2.2 Retail Water Rate Design

The Test Year financial requirements for retail water service were allocated to a base charge and gallonage charge as shown on Table 6-3 and detailed on Support Table D-4. In order to develop the monthly base charge and gallonage charge for retail water service, the Test Year rate

determinants need to be identified. As previously mentioned, 96 retail ERCs are anticipated in the Test Year. It is anticipated that these connections will use approximately 6,315,000 gallons annually. To calculate the monthly base charge, the amount allocated to the charge was divided by the number of ERCs to arrive at the rate of \$3.58 per month as shown in Support Table D-4. To determine the gallonage charge per thousand gallons of usage, the same method was applied, taking the financial requirements allocated to the gallonage charge and dividing it by the gallonage determinant in thousands of gallons, resulting in a rate of \$0.65 per thousand gallons as shown on Support Table D-4.

6.2.3 Fire Protection Rate Design

In determining the fire protection rate, it is projected that the wells will serve the landowner, Miami Corporation. Since the wells will only be used in the event of a fire, no gallonage has been assumed. Therefore all financial requirements for the Test Year have been allocated to the monthly base charge resulting in a charge of \$349.35 per month shown on Support Table D-5.

6.2.4 Bulk Raw Water Rate Design

The bulk raw water rates have been designed in a manner that is slightly different than that used for the retail and fire protection rates. In order to determine the base charge or fixed charge, the amount allocated to fixed costs (\$270,239) was divided by the total design capacity of the wells at the end of Phase II, which results in an annual rate of \$85,790.16 per MGD of available capacity. In order to calculate the annual gallonage rate, the gallonage determinant for the Test Year was developed. Based on the anticipated flows during the Test Year, the annual gallonage determinant has been set at 923,450,000 gallons. The annual gallonage rate was then calculated by dividing the amount allocated to the annual gallonage charge (\$300,755), by the annual gallonage determinant in thousands of gallons (923,450) to arrive at a charge of \$0.33 per thousand gallons, as shown on Support Table D-6. It should be noted, that these rates were developed assuming 60% CIAC. The schedules provided in the appendices document this methodology. Since providing these services requires a large capital outlay, it is anticipated that a “take-or-pay” agreement will be utilized for those customers requiring bulk raw water service. The take-or-pay amounts and additional gallonage charge is shown on Table 6-4. In order to not penalize the customer, the take-or-pay rates have been designed based on the following minimum annual usage:

Year	Available Capacity	Minimum Annual Usage
2002	2.25 MGD	1.0 MGD
2003	2.25 MGD	1.0 MGD
2004	2.25 MGD	1.0 MGD
2005	2.25 MGD	1.5 MGD
2006	2.25 MGD	1.5 MGD
2007	3.15 MGD	2.0 MGD
2008	3.15 MGD	2.0 MGD
2009 ⁽¹⁾	3.15 MGD	2.5 MGD
2010	3.15 MGD	2.5 MGD
2011	3.15 MGD	2.5 MGD

Note: (1) Test Year

The annual fixed rate of \$85,790.16 per MGD of available capacity and annual gallonage rate of \$0.33 per thousand gallons were then applied to the take-or-pay annual constraints shown above, to arrive at the annual take-or-pay charges shown on Table 6-4 and detailed on Support Table D-6A. Any gallonage over the take-or-pay amount will be charged the gallonage rate (\$0.33 per thousand gallons) developed on Support Schedule D-6. This combination of fixed and gallonage costs results in an effective rate per thousand gallons ranging from \$0.78 to \$0.62 for the current period through the Test Year.

Table 6-4 summarizes the proposed retail, fire protection, and bulk raw water rates for the Utility.

Table 6-4
Proposed Monthly Retail, Fire Protection, and Bulk Raw Water Rates

Retail

Monthly Base Facility Charge	\$	3.58
Gallorage Charge (per thousand gallons)	\$	0.65

Fire Protection

Monthly Base Facility Charge	\$	349.35
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Bulk Raw Water

Take-or-Pay Charge

<u>Year</u>	<u>Annual Minimum Gallorage (In Thousands)</u>	<u>Annual Charge</u>
2002	365,000	\$ 311,903
2003	365,000	\$ 311,903
2004	365,000	\$ 311,903
2005	547,500	\$ 371,341
2006	547,500	\$ 371,341
2007	730,000	\$ 507,990
2008	730,000	\$ 507,990
2009	912,500	\$ 567,428

Additional Gallorage Charge (per thousand gallons)	\$	0.33
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6.3 PROJECTIONS OF FINANCIAL REQUIREMENTS AND REVENUES

Based on the anticipated customers, flows, capital requirements, and the rates developed previously, schedules showing anticipated net operating income and rate base for Years 2002 through 2009 are provided in Support Tables A-1, A-2, A-3, B-1, B-2, and B-3. In addition, Schedules 1 and 2 summarize the Rate Base and Net Operating Income for all three types of service for the Test Year.

6.4 CONCLUSIONS

The revenues, expenses, costs, and criteria associated with rate making are representative of averages, which were developed primarily from historic and projected data. In formulating the rates and expenses for FWR, HAI utilized prior knowledge of startup utilities and their costs, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships in the development of the proposed rates herein. Some of the assumptions will inevitably change or not materialize and unanticipated events may occur which could significantly change the results shown herein. These factors include regulatory actions by the SJRWMD.

ATTACHMENT A

ATTACHMENT "A"

LEGAL DESCRIPTION

PROPOSED SERVICE AREA

FOR

FARMTON WATER RESOURCES, LLC

NOVEMBER 2002

“ATTACHMENT A”

LEGAL DESCRIPTION

Proposed Farmton Water Resources LLC Service Area

November 20, 2001

The following lands lying in Township 18 South, Range 33 East, Volusia County, Florida, more particularly described as follows:

Blocks 1, 2, 3, and 4 of Howe and Curriers Allotment, Section 10, according to the Plat thereof, as recorded in Map Book 4, Page 44 in Section 10.

All of Sections 11, 12, 13, and 14.

Blocks 1 and 4 of Howe and Curriers Allotment, Section 15, according to the Plat thereof, as recorded in Map Book 4, Page 44 in Section 15.

Blocks 1 and 4 of Howe and Curriers Allotment, Section 22, according to the Plat thereof, as recorded in Map Book 4, Page 44 in Section 22.

All of Sections 23, 24, 25, 26, 27, and 28.

Blocks 1, 2, 3, and 4 of The Florida Homeland Company, Section 31, according to the Plat thereof, as recorded in Map Book 1, Page 107 in Section 31.

All of Sections 32, 33, 34, 35, and 36.

Together with the following lands lying in Township 19 South, Range 33 East, Volusia County, Florida, more particularly described as follows:

All of Sections 1, 2, 3, and 4.

Blocks 1 and 2- Block 3 except Lot 10; and Block 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 5, Page 75 in Section 5.

Block 1; Block 2 except Lot 12; Block 3 except Lot 10; And Block 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 107 in Section 6.

Lots 1 to 10 inclusive, and Lots 14, 15, and 16 of Block 1; Block 2; Lots 4, 5, 6, 9, 10, 12, 13, 14, 15, 16 of Block 3; and Lots 2, 3, 5, 8, 11, 12, 13, 14, 15, and 16 of Block 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 7.

Blocks 1, 2 and 3; And Lots 1 to 10 inclusive and Lots 13 and 15 of Block 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 8.

Blocks 1, 2, 3 and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 9.

All of Sections 10, 11, 12, 13 and 14.

Blocks 1, 2, 3, and 4 of the Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 15.

Lots 9 to 16 inclusive of Block 1; Blocks 2, 3, and 4 of The Florida Homeland Company according to the Plat thereof, as recorded in Map Book 4, Page 106 in Section 16.

Blocks 1, 2, 3, and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 17.

Blocks 3 and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 18.

Blocks 1, 2, 3, 4 and 5; Block 6 except Lots 16, 17, and 18; Block 7 except Lots 38, 39, and 40; Blocks 8, 9, 10, 11, 12 and 13; Block 14 except Lot 14; Block 15; Block 16 except Lots 1 and 2; Blocks 17 to 25 inclusive; Block 26 except Lot 4; Block 27 except Lot 15; Blocks 28 to 60 inclusive of Farmton (formerly Celery City), according to the Plat thereof, as recorded in Map Book 5, Page 44 in Section 18.

Unnamed Lot(s) lying between Orange Avenue and the right of way of Florida East Coast Railway and North of Blocks 2, 3, 4, and 5; Unnamed Lot(s) lying between Orange Avenue and the right of way of Florida East Coast Railway and North of Blocks 8, 9, and 10; Unnamed Lot(s) North of the right of way of the Florida East Coast Railway and East of 5th Street; All that Lot lying North of the right of way of Florida East Coast Railway right of way and between 5th Street and 7th Street; All that Lot lying North of the right of way of the Florida East Coast Railway and West of 7th Street of Farnton (formerly Celery City), according to the Plat thereof, as recorded in Map Book 5, page 44 in Section 18.

The Northeast 1/4; The Southeast 1/4; The North 1/2 of the Northwest 1/4; The Southeast 1/4 of the Northwest 1/4; and the East 1/2 of the Southwest 1/4 in Section 19.

Block 1 except Lots 1 and 2; and Blocks 2, 3 and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 108 in Section 20.

The Northwest 1/4; The Southwest 1/4; The Southeast 1/4; The North 1/2 of the Northeast 1/4; The South four (4) chains of the East 3/8 of the Southwest 1/4 of the Northeast 1/4; and the West 5/8 of the Southwest 1/4 of the Northeast 1/4 of Section 21.

Block 1 except the West 1/2 of Lot 10; and Blocks 2, 3 and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 106 in Section 22.

The East 1/2 of the Northeast 1/4; The Northwest 1/4 of the Northeast 1/4; The Southeast 1/4 The Northeast 1/4 of the Northwest 1/4, except the East 12 chains of the South 10 chains; The Southwest 1/4; The West 1/2 of the Northwest 1/4 in Section 23.

Section 24 less and except railroad right of way and road right of way.

Section 25 less and except railroad right of way and road right of way.

All of Section 26.

Block 1 except Lots 7 and 8; and Block 2, 3, and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 106 in Section 27.

All of Sections 28 and 29.

The East 1/2; The East 1/2 of the Northwest 1/4; And all that part of the Southwest 1/4 lying in Volusia County, Florida, in Section 30.

All of that part of the Northeast 1/4 lying North of the abandoned right of way of the Florida East Coast Railroad; The Northeast 1/4 of the Northwest 1/4; And the South 13.67 chains of the Southeast 1/4 of the Northwest 1/4 lying north and east of the river in Section 31.

All of that part Sections 32 and 33 lying North of the right of way of the Florida East Coast Railroad.

All of that part of the East 1/2 of the Northeast 1/4 lying North of the right of way of the Florida East Coast Railway Company; The Northwest 1/4 of the Northeast 1/4-, and all that part of the Northwest 1/4 lying North of the right of way of the Florida East Coast Railway Company in Section 34.

All of that part of Section 35 lying North of the right of way of the Florida East Coast Railway Company.

All of Section 36.

Together with the following lands lying in Township 20 South, Range 33 East, Volusia County, Florida, more particularly described as follows:

All of Sections 1, 12, and 13.

All of Fractional Section 24.

Together with all of that portion of Bernard Sequi Grant in Section 37, Township 21 South, Range 33 East, Volusia County, Florida.

Together with the following lands lying in Township 18 South, Range 34 East, Volusia County, Florida, more particularly described as follows:

BEGIN at the Northwest corner of Section 17, Township 18 South, Range 34 East, thence SOUTH, on the West line of said Section 17, a distance of, 1407.60 feet to a point; Thence North 79 degrees 47 minutes East, a distance of, 2794.30 feet to a point; Thence NORTH, a distance of, 912.00 feet to the North line of said Section 17; Thence WEST, a distance of 2751.00 feet more or less to the POINT OF BEGINNING.

All of Sections 18 and 19.

All that part of Section 20 lying South of a line beginning at the Northwest corner of the Sibbald Grant and running thence West parallel to the North line of said Section 20 to the West line of said Section 20.

All fractional Section 29.

All of Sections 30 and 31.

All of fractional Section 32 (being all of Section 32, except that portion in the Sibbald Grant and that portion in the John Lowe Grant).

That part of Lots 62 and 167 lying West of 1-95 right of way of the Assessor's Subdivision of the Charles Sibbald Grant in Sections 42, 43, and 44, Township 18 South, Range 34 East, according to the Plat thereof, as recorded in Map Book 3, Page 151 of the Public Records of Volusia County, Florida.

That part of Lots 13B, 14B, and 15B lying West of the 1-95 right of way of the Assessor's Subdivision of the Charles Sibbald Grant in Sections 43 and 44, Township 18 South, Range 34 East, according to the Plat thereof, as recorded in Map Book 3, Page 151 of the Public Records of Volusia County, Florida, less and except Borrow Pit No. 11 and the Haul Access.

Together with the following lands lying in Township 19 South, Range 34 East, Volusia County, Florida, more particularly described as follows:

Government Lots 1, 2, 3, and 4, in Section 5.

All of section 6.

All of Block 1, 2, 3, and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 106 in Section 7.

All of fractional Section 8 and 17.

Blocks 1, 2, 3, and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, Page 106 in Section 18.

All of Section 19.

All of fractional Section 20.

All of fractional Section 21 except railroad right of way and Maytown Road right of way.

All of fractional Section 28 except railroad right of way and Maytown Road right of way.

All of Section 29 except railroad right of way and Maytown Road right of way.

The Northeast 1/4; The North 1/2 of the Southeast 1/4; The Southeast 1/4 of the Southeast 1/4; The Southeast 1/4 of the Southwest 1/4 (less and except the East 72 feet of the Southeast 1/4 of the Southwest 1/4 and less and except that part of Southeast 1/4 of Southwest 1/4 lying Northeast of the right of way of the Florida East Coast Railway Company); The Southwest 1/4 of the Southwest 1/4; The North 1/2 of the Northwest 1/4; The East 1/2 of the Southeast 1/4 of the Northwest 1/4 (less and except a triangular strip of land sold to the Florida East Coast Railway Company in the East 1/2 of the Southeast 1/4 of the Northwest 1/4, located in the wye of said railroad); The Southwest 1/4 of the Northwest 1/4; and That part of land in the North 1/2 of the Southwest 1/4 lying North of the Florida East Coast Railway Company right of way in Section 30.

All of Section 31 except Florida East Coast Railway right of way.

All of Blocks 1, 2, 3, and 4 of The Florida Homeland Company, according to the Plat thereof, as recorded in Map Book 4, page 106 in Section 32.

All of fractional Section 33.

Less and excepting from all of the above described lands, all railroad rights of way of the Florida East Coast Railway Company.

Together with the following lands lying in Township 20 South, Range 34 East, Brevard County, Florida, more particularly described as follows:

All of fractional Section 4.

All of Sections 5, 6, 7, 8, 17, and 18.

All of fractional Sections 19 and 20.

Together with the following lands lying in Township 20 South, Range 34 East and Township 21 South, Range 34 East, Brevard County, Florida, more particularly described as follows:

All of Sections 6, 7, 8, 10, 11, 12, 25, 26, and 27, Indian River Park, according to the Plat thereof, as recorded in Plat Book 2, Page 33 of the Public Records of Brevard County, Florida.

Lots 2 to 8 inclusive of Block 1; Blocks 2 and 3; Lots 3 to 6 inclusive of Block 4; Lots 3 to 6 inclusive of Block 5; Blocks 6 and 7; and Lots 3 to 6 inclusive of Block 8 in Section 13, Indian River Park, according to the Plat thereof, as recorded in Plat Book 2, Page 33 of the Public Records of Brevard County, Florida.

Lots 3 to 6 inclusive of Block 1; Block 2; Block 3 except Lot 5; Lots 3 to 8 inclusive of Block 4; Lots 3 to 6 inclusive and Lot 8 of Block 5; Blocks 6 and 7; and Lots 5 to 8 inclusive of Block 8 in Section 24, Indian River Park, according to the Plat thereof, as recorded in Plat Book 2, Page 33 of the Public Records of Brevard County, Florida.

ATTACHMENT B

ATTACHMENT "B"

SCHEDULES SUPPORTING

PROPOSED RATES AND CHARGES

FOR

FARMTON WATER RESOURCES, LLC

DECEMBER 2002

LIST OF SCHEDULES AND SUPPORT TABLES

SCHEDULE	DESCRIPTION
1	Schedule of Rate Base – Test Year 2009
2	Schedule of Net Operating Income – Test Year 2009
3	Schedule of Capital Structure – Test Year 2009

SUPPORT TABLE	
A-1	Operating Income – Retail Water Supply
A-2	Operating Income – Fire Protection
A-3	Operating Income – Bulk Raw Water Supply
B-1	Rate Base – Retail Water Supply
B-2	Rate Base – Fire Protection Supply
B-3	Rate Base – Bulk Raw Water Supply
B-4	Plant in Service
B-5	Depreciation
B-6	Contributed Plant in Service
B-7	Amortization
B-8	Net Plant to Net CIAC Ratios
C-1	Operations and Maintenance Requirements – Retail Water Supply
C-1A	Operations and Maintenance Assumptions – Retail Water Supply
C-2	Operations and Maintenance Requirements – Fire Protection
C-3	Operations and Maintenance Requirements – Bulk Raw Water Supply
C-3A	Operations and Maintenance Assumptions – Bulk Raw Water Supply
D-1	Revenue Requirement Calculation – Retail Water Supply
D-2	Revenue Requirement Calculation – Fire Protection
D-3	Revenue Requirement Calculation – Bulk Raw Water
D-4	Rate Calculation – Retail Water Supply
D-5	Rate Calculation – Fire Protection
D-6	Rate Calculation – Bulk Raw Water Supply
D-6A	Operating Revenue Calculation – Bulk Raw Water
D-7	Customer Growth and Flow Assumptions
E-1	Capital Expenditures – Retail Water Supply
E-2	Capital Expenditures – Fire Protection
E-3	Capital Expenditures – Bulk Raw Water

FARMTON WATER RESOURCES LLC
 SCHEDULE OF RATE BASE
 TEST YEAR 2009

SCHEDULE 1

Description	Residential	Fire Protection	Bulk Raw Water	Total
Utility Plant In Service	\$ 45,650	\$ 26,400	\$ 5,520,300	\$ 5,592,350
Accumulated Depreciation	\$ (18,441)	\$ (9,655)	\$ (1,173,178)	\$ (1,201,274)
Contributions in Aid of Construction	\$ (34,238)	\$ (26,400)	\$ (3,312,180)	\$ (3,372,818)
Accumulated Amortization of CIAC	\$ 13,831	\$ 9,655	\$ 703,907	\$ 727,393
Less: Non Used & Useful Adjustment	\$ -	\$ -	\$ -	\$ -
Working Capital Allowance	\$ 814	\$ 495	\$ 34,719	\$ 36,028
Total Rate Base	\$ 7,617	\$ 495	\$ 1,773,568	\$ 1,781,679

FARMTON WATER RESOURCES LLC
 SCHEDULE OF NET OPERATING INCOME
 TEST YEAR 2009

SCHEDULE 2

Description	Residential	Fire Protection	Bulk Raw Water	Total
OPERATING REVENUES	\$ 8,224	\$ 4,192	\$ 570,994	\$ 583,409
Operation & Maintenance	\$ 6,512	\$ 3,960	\$ 277,750	\$ 288,222
Depreciation	2,362	1,285	222,514	226,161
CIAC Amortization	(1,771)	(1,285)	(133,508)	(136,565)
Taxes Other Than Income	370	188	25,695	26,252
Provisions for Income Taxes	65	-	18,923	18,988
TOTAL OPERATING EXPENSES	\$ 7,538	\$ 4,148	\$ 411,373	\$ 423,058
NET OPERATING INCOME	\$ 685	\$ 45	\$ 159,621	\$ 160,351
RATE BASE	\$ 7,617	\$ 495	\$ 1,773,568	\$ 1,781,679
RATE OF RETURN	9.000%	9.000%	9.000%	9.000%

FARMTON WATER RESOURCES LLC
 SCHEDULE OF CAPITAL STRUCTURE

SCHEDULE 3

	<u>Balance</u>	<u>Weight</u>	<u>Cost Rate ⁽¹⁾⁽²⁾</u>	<u>Weighted Cost</u>
Equity	\$ 712,672	40.00%	11.10%	4.440%
Debt	1,069,008	60.00%	7.60%	4.560%
Total	<u>\$ 1,781,679</u>	<u>100.00%</u>		<u>9.000%</u>

Note:

- (1) Per FPSC Order # PSC-02-0898-PAA-WS, issued July 5, 2002, Return on Equity = 9.65% + 0.582/Equity Ratio, and the Allowable Range of Return = 10.23% @ 100% Equity to 11.10% @ 40% Equity.
- (2) For related party debt, cost is equal to the prime rate plus 2%. This rate was determined utilizing the current and 10-year average of the prime rate.

	<u>Balance</u>	<u>Weight</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Retail	\$ 4,570	0.43%	6.75%	0.029%
Fire Protection	297	0.03%	6.75%	0.002%
Bulk				
Phase I	744,898	69.68%	6.75%	4.703%
Phase II	319,242	29.86%	9.60%	2.868%
Total	<u>\$ 1,069,008</u>	<u>100.00%</u>		<u>7.602%</u>

FARMTON WATER RESOURCES LLC
 OPERATING INCOME - RETAIL
 TEST YEAR 2009

SUPPORT TABLE A-1

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 4,300	\$ 4,300	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,224
Operation & Maintenance	\$ 8,899	\$ 6,149	\$ 9,262	\$ 6,512	\$ 6,512	\$ 9,262	\$ 6,512	\$ 6,512
Depreciation	1,265	2,469	2,469	2,469	2,469	2,469	2,469	2,362
CIAC Amortization	(948)	(1,852)	(1,852)	(1,852)	(1,852)	(1,852)	(1,852)	(1,771)
Taxes Other Than Income - Reg Fees	194	194	370	370	370	370	370	370
Provisions for Income Taxes	-	-	-	58	59	-	60	65
TOTAL OPERATING EXPENSES	\$ 9,409	\$ 6,960	\$ 10,249	\$ 7,557	\$ 7,558	\$ 10,249	\$ 7,560	\$ 7,538
NET OPERATING INCOME	\$ (5,108)	\$ (2,660)	\$ (2,027)	\$ 665	\$ 664	\$ (2,027)	\$ 663	\$ 685
RATE BASE	\$ 12,208	\$ 11,247	\$ 11,019	\$ 10,059	\$ 9,442	\$ 9,168	\$ 8,208	\$ 7,617
ALLOWED RATE OF RETURN	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%
CALCULATED RATE OF RETURN	-41.845%	-23.647%	-18.394%	6.611%	7.036%	-22.107%	8.075%	9.000%

FARMTON WATER RESOURCES LLC
 OPERATING INCOME - FIRE PROTECTION
 TEST YEAR 2009

SUPPORT TABLE A-2

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192
Operation & Maintenance	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960
Depreciation	660	1,285	1,285	1,285	1,285	1,285	1,285	1,285
CIAC Amortization	(660)	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)	(1,285)
Taxes Other Than Income - Reg Fees	188	188	188	188	188	188	188	188
Provisions for Income Taxes	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148
NET OPERATING INCOME	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45
RATE BASE	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495
ALLOWED RATE OF RETURN	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%
CALCULATED RATE OF RETURN	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%

FARMTON WATER RESOURCES LLC
 OPERATING INCOME - BULK RAW WATER
 TEST YEAR 2009

SUPPORT TABLE A-3

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 330,923	\$ 341,622	\$ 352,321	\$ 395,116	\$ 418,891	\$ 516,905	\$ 555,540	\$ 570,994
Operation & Maintenance	\$ 110,000	\$ 122,760	\$ 135,960	\$ 159,280	\$ 182,270	\$ 234,190	\$ 259,710	\$ 277,750
Depreciation	64,460	122,763	122,763	122,763	122,763	172,638	222,514	222,514
CIAC Amortization	(38,676)	(73,658)	(73,658)	(73,658)	(73,658)	(103,583)	(133,508)	(133,508)
Taxes Other Than Income - Reg Fees	14,892	15,373	15,854	17,780	18,850	23,261	24,999	25,695
Provisions for Income Taxes	20,410	19,022	18,895	19,899	19,925	19,438	19,038	18,923
TOTAL OPERATING EXPENSES	\$ 171,086	\$ 206,260	\$ 219,814	\$ 246,065	\$ 270,151	\$ 345,944	\$ 392,753	\$ 411,373
NET OPERATING INCOME	\$ 159,838	\$ 135,362	\$ 132,507	\$ 149,051	\$ 148,740	\$ 170,961	\$ 162,787	\$ 159,621
RATE BASE	\$ 1,251,926	\$ 1,204,416	\$ 1,156,961	\$ 1,110,771	\$ 1,064,539	\$ 1,946,134	\$ 1,860,319	\$ 1,773,568
ALLOWED RATE OF RETURN	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%	9.000%
CALCULATED RATE OF RETURN	12.767%	11.239%	11.453%	13.419%	13.972%	8.785%	8.750%	9.000%

FARMTON WATER RESOURCES LLC
 RATE BASE
 RETAIL WATER SUPPLY

SUPPORT TABLE B-1

Description	2002	2003	2004	2005	2006	2007	2008	2009
Utility Plant In Service	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650
Accumulated Depreciation	\$ (1,265)	\$ (3,734)	\$ (6,203)	\$ (8,672)	\$ (11,141)	\$ (13,610)	\$ (16,079)	\$ (18,441)
Contributions in Aid of Construction	\$ (34,238)	\$ (34,238)	\$ (34,238)	\$ (34,238)	\$ (34,238)	\$ (34,238)	\$ (34,238)	\$ (34,238)
Accumulated Amortization of CIAC	\$ 948	\$ 2,800	\$ 4,652	\$ 6,504	\$ 8,356	\$ 10,208	\$ 12,060	\$ 13,831
Less: Non Used & Useful Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Allowance	\$ 1,112	\$ 769	\$ 1,158	\$ 814	\$ 814	\$ 1,158	\$ 814	\$ 814
Total Rate Base	\$ 12,208	\$ 11,247	\$ 11,019	\$ 10,059	\$ 9,442	\$ 9,168	\$ 8,208	\$ 7,617

FARMTON WATER RESOURCES LLC
 RATE BASE
 FIRE PROTECTION SUPPLY

SUPPORT TABLE B-2

Description	2002	2003	2004	2005	2006	2007	2008	2009
Utility Plant In Service	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400
Accumulated Depreciation	\$ (660)	\$ (1,945)	\$ (3,230)	\$ (4,515)	\$ (5,800)	\$ (7,085)	\$ (8,370)	\$ (9,655)
Contributions in Aid of Construction	\$ (26,400)	\$ (26,400)	\$ (26,400)	\$ (26,400)	\$ (26,400)	\$ (26,400)	\$ (26,400)	\$ (26,400)
Accumulated Amortization of CIAC	\$ 660	\$ 1,945	\$ 3,230	\$ 4,515	\$ 5,800	\$ 7,085	\$ 8,370	\$ 9,655
Less: Non Used & Useful Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Allowance	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495
Total Rate Base	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495

FARMTON WATER RESOURCES LLC
 OPERATING INCOME
 BULK RAW WATER SUPPLY

SUPPORT TABLE B-3

Description	2002	2003	2004	2005	2006	2007	2008	2009
Utility Plant In Service	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 5,520,300	\$ 5,520,300	\$ 5,520,300
Accumulated Depreciation	\$ (64,460)	\$ (187,223)	\$ (309,986)	\$ (432,749)	\$ (555,513)	\$ (728,151)	\$ (950,664)	\$ (1,173,178)
Contributions in Aid of Construction	\$ (1,895,940)	\$ (1,895,940)	\$ (1,895,940)	\$ (1,895,940)	\$ (1,895,940)	\$ (3,312,180)	\$ (3,312,180)	\$ (3,312,180)
Accumulated Amortization of CIAC	\$ 38,676	\$ 112,334	\$ 185,992	\$ 259,650	\$ 333,308	\$ 436,891	\$ 570,399	\$ 703,907
Less: Non Used & Useful Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Allowance	\$ 13,750	\$ 15,345	\$ 16,995	\$ 19,910	\$ 22,784	\$ 29,274	\$ 32,464	\$ 34,719
Total Rate Base	\$ 1,251,926	\$ 1,204,416	\$ 1,156,961	\$ 1,110,771	\$ 1,064,539	\$ 1,946,134	\$ 1,860,319	\$ 1,773,568

FARMTON WATER RESOURCES LLC
PLANT IN SERVICE

SUPPORT TABLE B-4

Description	2002	2003	2004	2005	2006	2007	2008	2009
RETAIL ANNUAL ADDITIONS								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	18,750	-	-	-	-	-	-	-
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	17,000	-	-	-	-	-	-	-
320.3 Water Treatment Equipment	1,500	-	-	-	-	-	-	-
330.4 Distribution Reservoirs & Stand Pipes	3,750	-	-	-	-	-	-	-
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	2,250	-	-	-	-	-	-	-
301.5 Organization Expense	2,400	-	-	-	-	-	-	-
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 45,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAIL ANNUAL BALANCES								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
320.3 Water Treatment Equipment	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
330.4 Distribution Reservoirs & Stand Pipes	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
301.5 Organization Expense	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650	\$ 45,650
FIRE PROTECTION ANNUAL ADDITIONS								
307.1 Wells & Springs	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
301.5 Organization Expense	1,400	-	-	-	-	-	-	-
TOTAL	\$ 26,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE PROTECTION ANNUAL BALANCES								
307.1 Wells & Springs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
301.5 Organization Expense	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
TOTAL	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400

FARMTON WATER RESOURCES LLC
PLANT IN SERVICE

SUPPORT TABLE B-4

Description	2002	2003	2004	2005	2006	2007	2008	2009
BULK RAW WATER ANNUAL ADDITIONS								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	1,260,000	-	-	-	-	1,440,000	-	-
304.2 Structures & Improvements	84,000	-	-	-	-	96,000	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	357,600	-	-	-	-	134,400	-	-
331.4 Transmission & Distribution Mains	1,212,000	-	-	-	-	690,000	-	-
301.5 Organization Expense	246,300	-	-	-	-	-	-	-
TOTAL	\$ 3,159,900	\$ -	\$ -	\$ -	\$ -	\$ 2,360,400	\$ -	\$ -
BULK RAW WATER ANNUAL BALANCES								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	2,700,000	2,700,000	2,700,000
304.2 Structures & Improvements	84,000	84,000	84,000	84,000	84,000	180,000	180,000	180,000
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	357,600	357,600	357,600	357,600	357,600	492,000	492,000	492,000
331.4 Transmission & Distribution Mains	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,902,000	1,902,000	1,902,000
301.5 Organization Expense	246,300	246,300	246,300	246,300	246,300	246,300	246,300	246,300
TOTAL	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 3,159,900	\$ 5,520,300	\$ 5,520,300	\$ 5,520,300

FARMTON WATER RESOURCES LLC
DEPRECIATION

SUPPORT TABLE B-5

Description	2002	2003	2004	2005	2006	2007	2008	2009
RETAIL ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 469	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938	\$ 938
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
320.3 Water Treatment Equipment	107	214	214	214	214	214	214	107
330.4 Distribution Reservoirs & Stand Pipes	63	125	125	125	125	125	125	125
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	66	132	132	132	132	132	132	132
301.5 Organization Expense	60	60	60	60	60	60	60	60
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 1,265	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,469	\$ 2,362
RETAIL ACCUMULATED DEPRECIATION								
307.1 Wells & Springs	\$ 469	\$ 1,406	\$ 2,344	\$ 3,281	\$ 4,219	\$ 5,156	\$ 6,094	\$ 7,031
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	500	1,500	2,500	3,500	4,500	5,500	6,500	7,500
320.3 Water Treatment Equipment	107	321	536	750	964	1,179	1,393	1,500
330.4 Distribution Reservoirs & Stand Pipes	63	188	313	438	563	688	813	938
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	66	199	331	463	596	728	860	993
301.5 Organization Expense	60	120	180	240	300	360	420	480
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 1,265	\$ 3,734	\$ 6,203	\$ 8,672	\$ 11,141	\$ 13,610	\$ 16,079	\$ 18,441
FIRE PROTECTION ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 625	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
301.5 Organization Expense	35	35	35	35	35	35	35	35
TOTAL	\$ 660	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285
FIRE PROTECTION ACCUMULATED DEPRECIATION								
307.1 Wells & Springs	\$ 625	\$ 1,875	\$ 3,125	\$ 4,375	\$ 5,625	\$ 6,875	\$ 8,125	\$ 9,375
301.5 Organization Expense	35	70	105	140	175	210	245	280
TOTAL	\$ 660	\$ 1,945	\$ 3,230	\$ 4,515	\$ 5,800	\$ 7,085	\$ 8,370	\$ 9,655

FARMTON WATER RESOURCES LLC
DEPRECIATION

SUPPORT TABLE B-5

Description	2002	2003	2004	2005	2006	2007	2008	2009
BULK RAW WATER ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 31,500	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 99,000	\$ 135,000	\$ 135,000
304.2 Structures & Improvements	1,135	2,270	2,270	2,270	2,270	3,568	4,865	4,865
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	10,518	21,035	21,035	21,035	21,035	24,988	28,941	28,941
331.4 Transmission & Distribution Mains	15,150	30,300	30,300	30,300	30,300	38,925	47,550	47,550
301.5 Organization Expense	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158
TOTAL	\$ 64,460	\$ 122,763	\$ 122,763	\$ 122,763	\$ 122,763	\$ 172,638	\$ 222,514	\$ 222,514
BULK RAW WATER ACCUMULATED DEPRECIATION								
307.1 Wells & Springs	\$ 31,500	\$ 94,500	\$ 157,500	\$ 220,500	\$ 283,500	\$ 382,500	\$ 517,500	\$ 652,500
304.2 Structures & Improvements	1,135	3,405	5,676	7,946	10,216	13,784	18,649	23,514
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	10,518	31,553	52,588	73,624	94,659	119,647	148,588	177,529
331.4 Transmission & Distribution Mains	15,150	45,450	75,750	106,050	136,350	175,275	222,825	270,375
301.5 Organization Expense	6,158	12,315	18,473	24,630	30,788	36,945	43,103	49,260
TOTAL	\$ 64,460	\$ 187,223	\$ 309,986	\$ 432,749	\$ 555,513	\$ 728,151	\$ 950,664	\$ 1,173,178

FARMTON WATER RESOURCES LLC
CONTRIBUTED PLANT IN SERVICE

SUPPORT TABLE B-6

Description	2002	2003	2004	2005	2006	2007	2008	2009
RETAIL ANNUAL ADDITIONS								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	14,063	-	-	-	-	-	-	-
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	12,750	-	-	-	-	-	-	-
320.3 Water Treatment Equipment	1,125	-	-	-	-	-	-	-
330.4 Distribution Reservoirs & Stand Pipes	2,813	-	-	-	-	-	-	-
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	1,688	-	-	-	-	-	-	-
301.5 Organization Expense	1,800	-	-	-	-	-	-	-
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 34,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAIL ANNUAL BALANCES								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
320.3 Water Treatment Equipment	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
330.4 Distribution Reservoirs & Stand Pipes	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688
301.5 Organization Expense	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 34,238	\$ 34,238	\$ 34,238	\$ 34,238	\$ 34,238	\$ 34,238	\$ 34,238	\$ 34,238
FIRE PROTECTION ANNUAL ADDITIONS								
307.1 Wells & Springs	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
301.5 Organization Expense	1,400	-	-	-	-	-	-	-
TOTAL	\$ 26,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE PROTECTION ANNUAL BALANCES								
307.1 Wells & Springs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
301.5 Organization Expense	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
TOTAL	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400	\$ 26,400

FARMTON WATER RESOURCES LLC
CONTRIBUTED PLANT IN SERVICE

SUPPORT TABLE B-6

Description	2002	2003	2004	2005	2006	2007	2008	2009
BULK RAW WATER ANNUAL ADDITIONS								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	756,000	-	-	-	-	864,000	-	-
304.2 Structures & Improvements	50,400	-	-	-	-	57,600	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	214,560	-	-	-	-	80,640	-	-
331.4 Transmission & Distribution Mains	727,200	-	-	-	-	414,000	-	-
301.5 Organization Expense	147,780	-	-	-	-	-	-	-
TOTAL	\$ 1,895,940	\$ -	\$ -	\$ -	\$ -	\$ 1,416,240	\$ -	\$ -
BULK RAW WATER ANNUAL BALANCES								
303.1 Land & Land Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
307.1 Wells & Springs	756,000	756,000	756,000	756,000	756,000	1,620,000	1,620,000	1,620,000
304.2 Structures & Improvements	50,400	50,400	50,400	50,400	50,400	108,000	108,000	108,000
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	214,560	214,560	214,560	214,560	214,560	295,200	295,200	295,200
331.4 Transmission & Distribution Mains	727,200	727,200	727,200	727,200	727,200	1,141,200	1,141,200	1,141,200
301.5 Organization Expense	147,780	147,780	147,780	147,780	147,780	147,780	147,780	147,780
TOTAL	\$ 1,895,940	\$ 1,895,940	\$ 1,895,940	\$ 1,895,940	\$ 1,895,940	\$ 3,312,180	\$ 3,312,180	\$ 3,312,180

FARMTON WATER RESOURCES LLC
AMORTIZATION

SUPPORT TABLE B-7

Description	2002	2003	2004	2005	2006	2007	2008	2009
RETAIL ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 352	\$ 703	\$ 703	\$ 703	\$ 703	\$ 703	\$ 703	\$ 703
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	375	750	750	750	750	750	750	750
320.3 Water Treatment Equipment	80	161	161	161	161	161	161	80
330.4 Distribution Reservoirs & Stand Pipes	47	94	94	94	94	94	94	94
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	50	99	99	99	99	99	99	99
301.5 Organization Expense	45	45	45	45	45	45	45	45
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 948	\$ 1,852	\$ 1,852	\$ 1,852	\$ 1,852	\$ 1,852	\$ 1,852	\$ 1,771
RETAIL ACCUMULATED AMORTIZATION								
307.1 Wells & Springs	\$ 352	\$ 1,055	\$ 1,758	\$ 2,461	\$ 3,164	\$ 3,867	\$ 4,570	\$ 5,273
304.2 Structures & Improvements	-	-	-	-	-	-	-	-
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	375	1,125	1,875	2,625	3,375	4,125	4,875	5,625
320.3 Water Treatment Equipment	80	241	402	563	723	884	1,045	1,125
330.4 Distribution Reservoirs & Stand Pipes	47	141	234	328	422	516	609	703
331.4 Transmission & Distribution Mains	-	-	-	-	-	-	-	-
334.4 Meters & Meter Installations	50	149	248	347	447	546	645	744
301.5 Organization Expense	45	90	135	180	225	270	315	360
341.5 Transportation Equipment	-	-	-	-	-	-	-	-
TOTAL	\$ 948	\$ 2,800	\$ 4,652	\$ 6,504	\$ 8,356	\$ 10,208	\$ 12,060	\$ 13,831
FIRE PROTECTION ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 625	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
301.5 Organization Expense	35	35	35	35	35	35	35	35
TOTAL	\$ 660	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285	\$ 1,285
FIRE PROTECTION ACCUMULATED AMORTIZATION								
307.1 Wells & Springs	\$ 625	\$ 1,875	\$ 3,125	\$ 4,375	\$ 5,625	\$ 6,875	\$ 8,125	\$ 9,375
301.5 Organization Expense	35	70	105	140	175	210	245	280
TOTAL	\$ 660	\$ 1,945	\$ 3,230	\$ 4,515	\$ 5,800	\$ 7,085	\$ 8,370	\$ 9,655

FARMTON WATER RESOURCES LLC
AMORTIZATION

SUPPORT TABLE B-7

Description	2002	2003	2004	2005	2006	2007	2008	2009
BULK RAW WATER ANNUAL EXPENSE								
307.1 Wells & Springs	\$ 18,900	\$ 37,800	\$ 37,800	\$ 37,800	\$ 37,800	\$ 59,400	\$ 81,000	\$ 81,000
304.2 Structures & Improvements	681	1,362	1,362	1,362	1,362	2,141	2,919	2,919
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	6,311	12,621	12,621	12,621	12,621	14,993	17,365	17,365
331.4 Transmission & Distribution Mains	9,090	18,180	18,180	18,180	18,180	23,355	28,530	28,530
301.5 Organization Expense	3,695	3,695	3,695	3,695	3,695	3,695	3,695	3,695
TOTAL	\$ 38,676	\$ 73,658	\$ 73,658	\$ 73,658	\$ 73,658	\$ 103,583	\$ 133,508	\$ 133,508
BULK RAW WATER ACCUMULATED AMORTIZATION								
307.1 Wells & Springs	\$ 18,900	\$ 56,700	\$ 94,500	\$ 132,300	\$ 170,100	\$ 229,500	\$ 310,500	\$ 391,500
304.2 Structures & Improvements	681	2,043	3,405	4,768	6,130	8,270	11,189	14,108
310.2 Power Generation	-	-	-	-	-	-	-	-
311.2 Pumping Equipment	6,311	18,932	31,553	44,174	56,795	71,788	89,153	106,518
331.4 Transmission & Distribution Mains	9,090	27,270	45,450	63,630	81,810	105,165	133,695	162,225
301.5 Organization Expense	3,695	7,389	11,084	14,778	18,473	22,167	25,862	29,556
TOTAL	\$ 38,676	\$ 112,334	\$ 185,992	\$ 259,650	\$ 333,308	\$ 436,891	\$ 570,399	\$ 703,907

FARMTON WATER RESOURCES LLC
NET PLANT TO NET CIAC RATIOS

SUPPORT TABLE B-8

Description	2002	2003	2004	2005	2006	2007	2008	2009
RETAIL								
Net Plant	\$ 44,385	\$ 41,916	\$ 39,447	\$ 36,978	\$ 34,509	\$ 32,040	\$ 29,571	\$ 27,209
Net CIAC	\$ 33,290	\$ 31,438	\$ 29,586	\$ 27,734	\$ 25,882	\$ 24,030	\$ 22,178	\$ 20,407
NET CIAC as % of Net Plant	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
FIRE PROTECTION								
Net Plant	\$ 25,740	\$ 24,455	\$ 23,170	\$ 21,885	\$ 20,600	\$ 19,315	\$ 18,030	\$ 16,745
Net CIAC	\$ 25,740	\$ 24,455	\$ 23,170	\$ 21,885	\$ 20,600	\$ 19,315	\$ 18,030	\$ 16,745
NET CIAC as % of Net Plant	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
BULK RAW WATER								
Net Plant	\$ 3,095,440	\$ 2,972,677	\$ 2,849,914	\$ 2,727,151	\$ 2,604,387	\$ 4,792,149	\$ 4,569,636	\$ 4,347,122
Net CIAC	\$ 1,857,264	\$ 1,783,606	\$ 1,709,948	\$ 1,636,290	\$ 1,562,632	\$ 2,875,289	\$ 2,741,781	\$ 2,608,273
NET CIAC as % of Net Plant	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%

FARMTON WATER RESOURCES LLC
 OPERATIONS AND MAINTENANCE REQUIREMENTS
 RETAIL WATER SUPPLY

SUPPORT TABLE C-1

Account No.	Description	2002	2003	2004	2005	2006	2007	2008	2009
Operation and Maintenance Expenses									
601	Salaries and Wages - Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	-	-	-	-	-	-	-
604	Employees Pensions and Benefits	-	-	-	-	-	-	-	-
610	Purchased Water	-	-	-	-	-	-	-	-
615	Purchased Power	60	60	90	90	90	90	90	90
616	Fuel for Power Production	-	-	-	-	-	-	-	-
618	Chemicals	-	-	-	-	-	-	-	-
620	Materials and Supplies	-	-	-	-	-	-	-	-
630	Contractual Services	7,700	5,200	7,700	5,200	5,200	7,700	5,200	5,200
640	Rents	330	330	630	630	630	630	630	630
650	Transportation Expense	-	-	-	-	-	-	-	-
655	Insurance Expense	-	-	-	-	-	-	-	-
665	Regulatory Expense	-	-	-	-	-	-	-	-
670	Bad Debt Expense	-	-	-	-	-	-	-	-
675	Misc. Expense (10% of Other O&M)	809	559	842	592	592	842	592	592
Total Operation and Maintenance Expenses		\$ 8,899	\$ 6,149	\$ 9,262	\$ 6,512	\$ 6,512	\$ 9,262	\$ 6,512	\$ 6,512

FARMTON WATER RESOURCES LLC
 OPERATIONS AND MAINTENANCE REQUIREMENTS - ASSUMPTIONS
 RETAIL WATER SUPPLY

SUPPORT TABLE C-1A

POWER COSTS

	2002	2003	2004	2005	2006	2007	2008	2009
Average Flow (GPD)	2,100	2,100	2,800	2,800	2,800	2,800	2,800	2,800
Average Pump Rate (gpm)	40	40	60	60	60	60	60	60
Average Operation (Hrs./day)	1	1	1	1	1	1	1	1
Estimated Pressure (ft.)	200	200	200	200	200	200	200	200
Average Power (HP)	3	3	5	5	5	5	5	5
Calculated Power (kwh/day)	3	3	3	3	3	3	3	3
Calculated Cost per year ⁽¹⁾	\$ 60	\$ 60	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90

Note: (1) Based on \$0.07 per kwh.

CONTRACTUAL SERVICES

	2002	2003	2004	2005	2006	2007	2008	2009
Operation Service (hr/wk)	2	2	2	2	2	2	2	2
Operation Service Costs per year ⁽¹⁾	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200
Lab Service Costs per year	2,500	-	2,500	-	-	2,500	-	-
Total Contractual Services	\$ 7,700	\$ 5,200	\$ 7,700	\$ 5,200	\$ 5,200	\$ 7,700	\$ 5,200	\$ 5,200

Note: (1) Operating Services costs based on \$50.00 per hour.

RENTS

	2002	2003	2004	2005	2006	2007	2008	2009
Gallons per year (in thousands)	3,349	3,349	6,315	6,315	6,315	6,315	6,315	6,315
Cost per 1,000 gallons ⁽¹⁾	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Total Rents (rounded)	\$ 330	\$ 330	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630	\$ 630

Note: (1) Based on the amount of acreage and the opportunity cost of not being able to use that acreage.

TOTAL O&M EXPENSE	\$ 8,090	\$ 5,590	\$ 8,420	\$ 5,920	\$ 5,920	\$ 8,420	\$ 5,920	\$ 5,920
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FARMTON WATER RESOURCES LLC
 OPERATIONS AND MAINTENANCE REQUIREMENTS
 FIRE PROTECTION

SUPPORT TABLE C-2

Account No.	Description	2002	2003	2004	2005	2006	2007	2008	2009
Operation and Maintenance Expenses									
601	Salaries and Wages - Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	-	-	-	-	-	-	-
604	Employees Pensions and Benefits	-	-	-	-	-	-	-	-
610	Purchased Water	-	-	-	-	-	-	-	-
615	Purchased Power	-	-	-	-	-	-	-	-
616	Fuel for Power Production	-	-	-	-	-	-	-	-
618	Chemicals	-	-	-	-	-	-	-	-
620	Materials and Supplies	-	-	-	-	-	-	-	-
630	Contractual Services	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
640	Rents	-	-	-	-	-	-	-	-
650	Transportation Expense	-	-	-	-	-	-	-	-
655	Insurance Expense	-	-	-	-	-	-	-	-
665	Regulatory Expense	-	-	-	-	-	-	-	-
670	Bad Debt Expense	-	-	-	-	-	-	-	-
675	Misc. Expense (10% of Other O&M)	360	360	360	360	360	360	360	360
Total Operation and Maintenance Expenses		\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960

FARMTON WATER RESOURCES LLC
 OPERATIONS AND MAINTENANCE REQUIREMENTS
 BULK RAW WATER SUPPLY

SUPPORT TABLE C-3

Account No.	Description	2002	2003	2004	2005	2006	2007	2008	2009
Operation and Maintenance Expenses									
601	Salaries and Wages - Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	-	-	-	-	-	-	-
604	Employees Pensions and Benefits	-	-	-	-	-	-	-	-
610	Purchased Water	-	-	-	-	-	-	-	-
615	Purchased Power	40,300	48,600	57,300	65,300	73,700	106,600	117,900	129,600
616	Fuel for Power Production	-	-	-	-	-	-	-	-
618	Chemicals	-	-	-	-	-	-	-	-
620	Materials and Supplies	-	-	-	-	-	-	-	-
630	Contractual Services	17,400	17,400	17,400	17,400	22,600	30,600	30,600	30,600
640	Rents	42,300	45,600	48,900	62,100	69,400	75,700	87,600	92,300
650	Transportation Expense	-	-	-	-	-	-	-	-
655	Insurance Expense	-	-	-	-	-	-	-	-
665	Regulatory Expense	-	-	-	-	-	-	-	-
670	Bad Debt Expense	-	-	-	-	-	-	-	-
675	Misc. Expense (10% of Other O&M)	10,000	11,160	12,360	14,480	16,570	21,290	23,610	25,250
Total Operation and Maintenance Expenses		\$ 110,000	\$ 122,760	\$ 135,960	\$ 159,280	\$ 182,270	\$ 234,190	\$ 259,710	\$ 277,750

FARMTON WATER RESOURCES LLC
 OPERATIONS AND MAINTENANCE REQUIREMENTS - ASSUMPTIONS
 BULK RAW WATER SUPPLY

SUPPORT TABLE C-3A

POWER COSTS

	2002	2003	2004	2005	2006	2007	2008	2009
Average Flow (MGD)	1.16	1.40	1.65	1.88	2.12	2.36	2.61	2.87
Average Pump Rate (gpm)	2,000	2,000	2,000	2,000	2,000	2,500	3,000	3,000
Average Operation (Hrs./day)	10	12	14	16	18	16	15	16
Estimated Pressure (ft.)	250	250	250	250	250	325	325	325
Average Power (HP)	180	180	180	180	180	293	352	352
Calculated Power (kwh/day)	1,299	1,568	1,848	2,105	2,374	3,436	3,800	4,178
Calculated cost per day ⁽¹⁾	\$ 110.42	\$ 133.26	\$ 157.06	\$ 178.95	\$ 201.79	\$ 292.03	\$ 322.96	\$ 355.14
Calculated Cost per year ⁽¹⁾	\$ 40,300	\$ 48,600	\$ 57,300	\$ 65,300	\$ 73,700	\$ 106,600	\$ 117,900	\$ 129,600

Note: (1) Based on \$0.085 per kwh.

CONTRACTUAL SERVICES

	2002	2003	2004	2005	2006	2007	2008	2009
Operation Service (hr/wk)	4	4	4	4	6	6	6	6
Operation Service Costs per year ⁽¹⁾	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600
Lab Service Costs per year ⁽²⁾	7,000	7,000	7,000	7,000	7,000	15,000	15,000	15,000
Total Contractual Services	\$ 17,400	\$ 17,400	\$ 17,400	\$ 17,400	\$ 22,600	\$ 30,600	\$ 30,600	\$ 30,600

Note: (1) Operating Services costs based on \$50.00 per hour.

Note: (2) Lab costs based on \$1,000.00 per well per year.

RENTS

	2002	2003	2004	2005	2006	2007	2008	2009
Gallons per year (in thousands)	423,400	456,250	489,100	620,500	693,500	757,375	876,000	923,450
Cost per 1,000 gallons ⁽¹⁾	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Total Rents (rounded)	\$ 42,300	\$ 45,600	\$ 48,900	\$ 62,100	\$ 69,400	\$ 75,700	\$ 87,600	\$ 92,300

Note: (1) Based on the amount of acreage and the opportunity cost of not being able to use that acreage.

TOTAL O&M Expense	\$ 100,000	\$ 111,600	\$ 123,600	\$ 144,800	\$ 165,700	\$ 212,900	\$ 236,100	\$ 252,500
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FARMTON WATER RESOURCES LLC
 REVENUE REQUIREMENT CALCULATION
 RETAIL WATER SUPPLY

SUPPORT TABLE D-1

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 4,300	\$ 4,300	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,224
TOTAL O&M EXPENSES	\$ 8,899	\$ 6,149	\$ 9,262	\$ 6,512	\$ 6,512	\$ 9,262	\$ 6,512	\$ 6,512
NET DEPRECIATION EXPENSE	316	617	617	617	617	617	617	590
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
NOI BEFORE INCOME TAXES	\$ (4,915)	\$ (2,466)	\$ (1,657)	\$ 1,093	\$ 1,093	\$ (1,657)	\$ 1,093	\$ 1,121
INTEREST EXPENSE	(348)	(344)	(340)	(335)	(331)	(326)	(320)	(315)
TAXABLE NOI	\$ (5,263)	\$ (2,810)	\$ (1,996)	\$ 758	\$ 763	\$ (1,982)	\$ 773	\$ 806
RESTATEMENT OF OPERATING INCOME								
OPERATING REVENUES	\$ 4,300	\$ 4,300	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,222	\$ 8,224
TOTAL O&M EXPENSE	\$ 8,899	\$ 6,149	\$ 9,262	\$ 6,512	\$ 6,512	\$ 9,262	\$ 6,512	\$ 6,512
NET DEPRECIATION EXPENSE	316	617	617	617	617	617	617	590
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
REG FEES	194	194	370	370	370	370	370	370
INCOME TAX	-	-	-	58	59	-	60	65
SUBTOTAL	\$ 9,409	\$ 6,960	\$ 10,249	\$ 7,557	\$ 7,558	\$ 10,249	\$ 7,560	\$ 7,538
CALCULATED NOI AFTER TAXES	\$ (5,108)	\$ (2,660)	\$ (2,027)	\$ 665	\$ 664	\$ (2,027)	\$ 663	\$ 685
ALLOWABLE NOI AFTER TAXES	\$ 1,099	\$ 1,012	\$ 992	\$ 905	\$ 850	\$ 825	\$ 739	\$ 685
GROSS NOI DEFICIENCY	\$ -	\$ -	\$ -	\$ 388	\$ 393	\$ -	\$ 403	\$ 436
STATE EXEMPTION	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
STATE TAXABLE INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE INCOME TAX RATE	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
STATE INCOME TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FEDERAL TAXABLE INCOME	\$ -	\$ -	\$ -	\$ 388	\$ 393	\$ -	\$ 403	\$ 436
FEDERAL INCOME TAX								
0 - 50,000 15.00%	\$ -	\$ -	\$ -	\$ 58	\$ 59	\$ -	\$ 60	\$ 65
50,000 - 75,000 25.00%	-	-	-	-	-	-	-	-
75,000 - 100,000 34.00%	-	-	-	-	-	-	-	-
100,000 - 335,000 39.00%	-	-	-	-	-	-	-	-
335,000 - + 34.00%	-	-	-	-	-	-	-	-
FEDERAL INCOME TAX	\$ -	\$ -	\$ -	\$ 58	\$ 59	\$ -	\$ 60	\$ 65
STATE INCOME TAX	-	-	-	-	-	-	-	-
TOTAL INCOME TAX	\$ -	\$ -	\$ -	\$ 58	\$ 59	\$ -	\$ 60	\$ 65

FARMTON WATER RESOURCES LLC
 REVENUE REQUIREMENT CALCULATION
 FIRE PROTECTION SUPPLY

SUPPORT TABLE D-2

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192
TOTAL O&M EXPENSES	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960
NET DEPRECIATION EXPENSE	-	-	-	-	-	-	-	-
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
NOI BEFORE INCOME TAXES	\$ 232	\$ 232	\$ 232	\$ 232	\$ 232	\$ 232	\$ 232	\$ 232
INTEREST EXPENSE	(23)	(22)	(22)	(22)	(21)	(21)	(21)	(20)
TAXABLE NOI	\$ 210	\$ 210	\$ 210	\$ 210	\$ 211	\$ 211	\$ 211	\$ 212
RESTATEMENT OF OPERATING INCOME								
OPERATING REVENUES	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192	\$ 4,192
TOTAL O&M EXPENSE	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960	\$ 3,960
NET DEPRECIATION EXPENSE	-	-	-	-	-	-	-	-
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
REG FEES	188	188	188	188	188	188	188	188
INCOME TAX	-	-	-	-	-	-	-	-
SUBTOTAL	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148	\$ 4,148
CALCULATED NOI AFTER TAXES	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45
ALLOWABLE NOI AFTER TAXES	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45
GROSS NOI DEFICIENCY								
STATE EXEMPTION	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
STATE TAXABLE INCOME								
STATE INCOME TAX RATE	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
STATE INCOME TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FEDERAL TAXABLE INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FEDERAL INCOME TAX								
0 - 50,000	15.00%							
50,000 - 75,000	25.00%							
75,000 - 100,000	34.00%							
100,000 - 335,000	39.00%							
335,000 - +	34.00%							
FEDERAL INCOME TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE INCOME TAX	-	-	-	-	-	-	-	-
TOTAL INCOME TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FARMTON WATER RESOURCES LLC
 REVENUE REQUIREMENT CALCULATION
 BULK RAW WATER SUPPLY

SUPPORT TABLE D-3

Description	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING REVENUES	\$ 330,923	\$ 341,622	\$ 352,321	\$ 395,116	\$ 418,891	\$ 516,905	\$ 555,540	\$ 570,994
TOTAL O&M EXPENSES	\$ 110,000	\$ 122,760	\$ 135,960	\$ 159,280	\$ 182,270	\$ 234,190	\$ 259,710	\$ 277,750
NET DEPRECIATION EXPENSE	25,784	49,105	49,105	49,105	49,105	69,055	89,005	89,005
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
NOI BEFORE INCOME TAXES	\$ 195,139	\$ 169,757	\$ 167,256	\$ 186,731	\$ 187,516	\$ 213,660	\$ 206,825	\$ 204,238
INTEREST EXPENSE	(56,659)	(56,032)	(55,362)	(54,647)	(53,884)	(84,474)	(83,173)	(81,997)
TAXABLE NOI	\$ 138,480	\$ 113,725	\$ 111,893	\$ 132,083	\$ 133,632	\$ 129,186	\$ 123,652	\$ 122,241
RESTATEMENT OF OPERATING INCOME								
OPERATING REVENUES	\$ 330,923	\$ 341,622	\$ 352,321	\$ 395,116	\$ 418,891	\$ 516,905	\$ 555,540	\$ 570,994
TOTAL O&M EXPENSE	\$ 110,000	\$ 122,760	\$ 135,960	\$ 159,280	\$ 182,270	\$ 234,190	\$ 259,710	\$ 277,750
NET DEPRECIATION EXPENSE	25,784	49,105	49,105	49,105	49,105	69,055	89,005	89,005
TAXES OTHER THAN INCOME	-	-	-	-	-	-	-	-
REG FEES	14,892	15,373	15,854	17,780	18,850	23,261	24,999	25,695
INCOME TAX	20,410	19,022	18,895	19,899	19,925	19,438	19,038	18,923
SUBTOTAL	\$ 171,086	\$ 206,260	\$ 219,814	\$ 246,065	\$ 270,151	\$ 345,944	\$ 392,753	\$ 411,373
CALCULATED NOI AFTER TAXES	\$ 159,838	\$ 135,362	\$ 132,507	\$ 149,051	\$ 148,740	\$ 170,961	\$ 162,787	\$ 159,621
ALLOWABLE NOI AFTER TAXES	\$ 112,673	\$ 108,397	\$ 104,126	\$ 99,969	\$ 95,808	\$ 175,152	\$ 167,429	\$ 159,621
GROSS NOI DEFICIENCY	\$ 123,588	\$ 98,352	\$ 96,039	\$ 114,303	\$ 114,781	\$ 105,926	\$ 98,652	\$ 96,546
STATE EXEMPTION	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
STATE TAXABLE INCOME	\$ 121,088	\$ 95,852	\$ 93,539	\$ 111,803	\$ 112,281	\$ 103,426	\$ 96,152	\$ 94,046
STATE INCOME TAX RATE	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
STATE INCOME TAX	\$ 6,660	\$ 5,272	\$ 5,145	\$ 6,149	\$ 6,175	\$ 5,688	\$ 5,288	\$ 5,173
FEDERAL TAXABLE INCOME	\$ 116,928	\$ 93,080	\$ 90,894	\$ 108,154	\$ 108,606	\$ 100,237	\$ 93,364	\$ 91,374
FEDERAL INCOME TAX								
0 - 50,000 15.00%	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
50,000 - 75,000 25.00%	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
75,000 - 100,000 34.00%	-	-	-	-	-	-	-	-
100,000 - 335,000 39.00%	-	-	-	-	-	-	-	-
335,000 - + 34.00%	-	-	-	-	-	-	-	-
FEDERAL INCOME TAX	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750
STATE INCOME TAX	6,660	5,272	5,145	6,149	6,175	5,688	5,288	5,173
TOTAL INCOME TAX	\$ 20,410	\$ 19,022	\$ 18,895	\$ 19,899	\$ 19,925	\$ 19,438	\$ 19,038	\$ 18,923

FARMTON WATER RESOURCES LLC
 RATE CALCULATION
 RETAIL WATER SUPPLY

SUPPORT TABLE D-4

Account No.	Description	Test Year 2009	Base Facility Charge	Gallonge Charge	Base Facility Cost	Base Facility Charge	Gallonge Cost	Gallonge Charge
Operation and Maintenance Expenses								
601	Salaries and Wages - Employees	\$ -	50%	50%	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	50%	50%	-	-	-	-
604	Employees Pensions and Benefits	-	50%	50%	-	-	-	-
610	Purchased Water	-	0%	100%	-	-	-	-
615	Purchased Power	90	0%	100%	-	-	90	0.01
616	Fuel for Power Production	-	0%	100%	-	-	-	-
618	Chemicals	-	0%	100%	-	-	-	-
620	Materials and Supplies	-	40%	60%	-	-	-	-
630	Contractual Services	5,200	50%	50%	2,600	2.26	2,600	0.41
640	Rents	630	100%	0%	630	0.55	-	-
650	Transportation Expense	-	30%	70%	-	-	-	-
655	Insurance Expense	-	100%	0%	-	-	-	-
665	Regulatory Expense	-	50%	50%	-	-	-	-
670	Bad Debt Expense	-	50%	50%	-	-	-	-
675	Miscellaneous Expense	592	40%	60%	237	0.21	355	0.06
Total Operation and Maintenance Expenses		\$ 6,512			\$ 3,467	\$ 3.02	\$ 3,045	\$ 0.48
Depreciation and Amortization								
403	Depreciation Expense	\$ 2,362	75%	25%	\$ 1,771	\$ 1.54	\$ 590	\$ 0.09
407	Amortization Expense - Other	(1,771)	75%	25%	(1,329)	(1.16)	(443)	(0.07)
Total Depreciation and Amortization		\$ 590			\$ 443	\$ 0.38	\$ 148	\$ 0.02
Taxes Other Than Income Taxes								
408.10	Utility Regulatory Assessment Fees	\$ 370	35%	65%	\$ 130	\$ 0.11	\$ 241	\$ 0.04
408.11	Property Taxes	-	100%	0%	-	-	-	-
408.12	Payroll Taxes	-	100%	0%	-	-	-	-
408.13	Other Taxes and Licenses	-	100%	0%	-	-	-	-
408.20	Other Income and Deductions	-	100%	0%	-	-	-	-
Total Taxes Other Than Income Taxes		\$ 370			\$ 130	\$ 0.11	\$ 241	\$ 0.04
Income Taxes								
409	Federal, State, and Local Income Taxes	\$ 65	10%	90%	\$ 7	\$ 0.01	\$ 59	\$ 0.01
Total Income Taxes		\$ 65			\$ 7	\$ 0.01	\$ 59	\$ 0.01
Return on Investment		\$ 685	10%	90%	\$ 69	\$ 0.06	\$ 617	\$ 0.10
Total Revenue Requirement		\$ 8,224			\$ 4,114	\$ 3.58	\$ 4,109	\$ 0.65
Less: Miscellaneous Revenues		\$ -	100%	0%	\$ -	\$ -	\$ -	\$ -
Total Revenues for Rate Setting		\$ 8,224			\$ 4,114	\$ 3.58	\$ 4,109	\$ 0.65
Factored ERCs		96						
Factored Gallons (In Thousands)		6,315						

FARMTON WATER RESOURCES LLC
 RATE CALCULATION
 FIRE PROTECTION

SUPPORT TABLE D-5

Account No.	Description	Test Year 2009	Base Facility Charge	Gallonage Charge	Base Facility Cost	Base Facility Charge	Gallonage Cost	Gallonage Charge
Operation and Maintenance Expenses								
601	Salaries and Wages - Employees	\$ -	100%	0%	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	100%	0%	-	-	-	-
604	Employees Pensions and Benefits	-	100%	0%	-	-	-	-
610	Purchased Water	-	0%	100%	-	-	-	-
615	Purchased Power	-	0%	100%	-	-	-	-
616	Fuel for Power Production	-	0%	100%	-	-	-	-
618	Chemicals	-	0%	100%	-	-	-	-
620	Materials and Supplies	-	100%	0%	-	-	-	-
630	Contractual Services	3,600	100%	0%	3,600	300.00	-	-
640	Rents	-	100%	0%	-	-	-	-
650	Transportation Expense	-	100%	0%	-	-	-	-
655	Insurance Expense	-	100%	0%	-	-	-	-
665	Regulatory Expense	-	100%	0%	-	-	-	-
670	Bad Debt Expense	-	100%	0%	-	-	-	-
675	Miscellaneous Expense	360	100%	0%	360	30.00	-	-
Total Operation and Maintenance Expenses		\$ 3,960			\$ 3,960	\$ 330.00	\$ -	\$ -
Depreciation and Amortization								
403	Depreciation Expense	\$ 1,285	100%	0%	\$ 1,285	\$ 107.08	\$ -	\$ -
407	Amortization Expense - Other	(1,285)	100%	0%	(1,285)	(107.08)	-	-
Total Depreciation and Amortization		\$ -			\$ -	\$ -	\$ -	\$ -
Taxes Other Than Income Taxes								
408.10	Utility Regulatory Assessment Fees	\$ 188	100%	0%	\$ 188	\$ 15.64	\$ -	\$ -
408.11	Property Taxes	-	100%	0%	-	-	-	-
408.12	Payroll Taxes	-	100%	0%	-	-	-	-
408.13	Other Taxes and Licenses	-	100%	0%	-	-	-	-
408.20	Other Income and Deductions	-	100%	0%	-	-	-	-
Total Taxes Other Than Income Taxes		\$ 188			\$ 188	\$ 15.64	\$ -	\$ -
Income Taxes								
409	Federal, State, and Local Income Taxes	\$ -	100%	0%	\$ -	\$ -	\$ -	\$ -
Total Income Taxes		\$ -			\$ -	\$ -	\$ -	\$ -
Return on Investment		\$ 45	100%	0%	\$ 45	\$ 3.71	\$ -	\$ -
Total Revenue Requirement		\$ 4,192			\$ 4,192	\$ 349.35	\$ -	\$ -
Less: Miscellaneous Revenues		\$ -	100%	0%	\$ -	\$ -	\$ -	\$ -
Total Revenues for Rate Setting		\$ 4,192			\$ 4,192	\$ 349.35	\$ -	\$ -
Factored ERCs		1						
Factored Gallons (In Thousands)		0						

FARMTON WATER RESOURCES LLC
 RATE CALCULATION
 BULK RAW WATER SUPPLY

SUPPORT TABLE D-6

Account No.	Description	Test Year 2009	Base Facility Charge	Gallonage Charge	Base Facility Cost	Base Facility Charge	Gallonage Cost	Gallonage Charge
Operation and Maintenance Expenses								
601	Salaries and Wages - Employees	\$ -	0%	100%	\$ -	\$ -	\$ -	\$ -
603	Salaries and Wages - Other	-	0%	100%	-	-	-	-
604	Employees Pensions and Benefits	-	0%	100%	-	-	-	-
610	Purchased Water	-	0%	100%	-	-	-	-
615	Purchased Power	129,600	0%	100%	-	-	129,600	0.14
616	Fuel for Power Production	-	0%	100%	-	-	-	-
618	Chemicals	-	0%	100%	-	-	-	-
620	Materials and Supplies	-	0%	100%	-	-	-	-
630	Contractual Services	30,600	50%	50%	15,300	4,857.14	15,300	0.02
640	Rents	92,300	0%	100%	-	-	92,300	0.10
650	Transportation Expense	-	0%	100%	-	-	-	-
655	Insurance Expense	-	0%	100%	-	-	-	-
665	Regulatory Expense	-	100%	0%	-	-	-	-
670	Bad Debt Expense	-	0%	100%	-	-	-	-
675	Miscellaneous Expense	25,250	25%	75%	6,313	2,003.97	18,938	0.02
Total Operation and Maintenance Expenses		\$ 277,750			\$ 21,613	\$ 6,861.11	\$ 256,138	\$ 0.28
Depreciation and Amortization								
403	Depreciation Expense	\$ 222,514	100%	0%	\$ 222,514	\$ 70,639.22	\$ -	\$ -
407	Amortization Expense - Other	(133,508)	100%	0%	(133,508)	(42,383.53)	-	-
Total Depreciation and Amortization		\$ 89,005			\$ 89,005	\$ 28,255.69	\$ -	\$ -
Taxes Other Than Income Taxes								
408.10	Utility Regulatory Assessment Fees	\$ 25,695	0%	100%	\$ -	\$ -	\$ 25,695	\$ 0.03
408.11	Property Taxes	-	0%	100%	-	-	-	-
408.12	Payroll Taxes	-	0%	100%	-	-	-	-
408.13	Other Taxes and Licenses	-	0%	100%	-	-	-	-
408.20	Other Income and Deductions	-	0%	100%	-	-	-	-
Total Taxes Other Than Income Taxes		\$ 25,695			\$ -	\$ -	\$ 25,695	\$ 0.03
Income Taxes								
409	Federal, State, and Local Income Taxes	\$ 18,923	0%	100%	\$ -	\$ -	\$ 18,923	\$ 0.02
Total Income Taxes		\$ 18,923			\$ -	\$ -	\$ 18,923	\$ 0.02
Return on Investment		\$ 159,621	100%	0%	\$ 159,621	\$ 50,673.36	\$ -	\$ -
Total Revenue Requirement		\$ 570,994			\$ 270,239	\$ 85,790.16	\$ 300,755	\$ 0.33
Less: Miscellaneous Revenues		\$ -	0%	100%	\$ -	\$ -	\$ -	\$ -
Total Revenues for Rate Setting		\$ 570,994			\$ 270,239	\$ 85,790.16	\$ 300,755	\$ 0.33
Available Capacity		3,150						
Factored Gallons (In Thousands)		923,450						

FARMTON WATER RESOURCES LLC
 OPERATING REVENUE CALCULATION
 BULK RAW WATER SUPPLY

SUPPORT TABLE D-6A

Description	2002	2003	2004	2005	2006	2007	2008	Test Year 2009
Total Gallonage Requirements (MGD)	1.160	1.250	1.340	1.700	1.900	2.075	2.400	2.530
Take-Or-Pay Gallonage (MGD)	1.000	1.000	1.000	1.500	1.500	2.000	2.000	2.500
Billed Gallonage (MGD)	0.160	0.250	0.340	0.200	0.400	0.075	0.400	0.030
Capacity (MGD)	2.250	2.250	2.250	2.250	2.250	3.150	3.150	3.150
Take-or-Pay Rate								
Fixed Costs	\$ 193,028	\$ 193,028	\$ 193,028	\$ 193,028	\$ 193,028	\$ 270,239	\$ 270,239	\$ 270,239
Gallonage	118,875	118,875	118,875	178,313	178,313	237,751	237,751	297,189
Total Take-or-Pay Rate	\$ 311,903	\$ 311,903	\$ 311,903	\$ 371,341	\$ 371,341	\$ 507,990	\$ 507,990	\$ 567,428
Additional Gallonage	19,020	29,719	40,418	23,775	47,550	8,916	47,550	3,566
Total Revenues	\$ 330,923	\$ 341,622	\$ 352,321	\$ 395,116	\$ 418,891	\$ 516,905	\$ 555,540	\$ 570,994
Gallonage rate per 1,000 gallons	\$ 0.33							
Thousand Gallons Per Year	423,400	456,250	489,100	620,500	693,500	757,375	876,000	923,450
Average Cost Per 1,000 Gallons	\$ 0.78	\$ 0.75	\$ 0.72	\$ 0.64	\$ 0.60	\$ 0.68	\$ 0.63	\$ 0.62

FARMTON WATER RESOURCES LLC
CUSTOMER GROWTH AND FLOW ASSUMPTIONS

SUPPORT TABLE D-7

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CUSTOMERS (ERCs)										
Retail										
Added	49	-	46	-	-	-	-	-	-	-
Total	49	49	96	96	96	96	96	96	96	96
Fire Protection										
Added	1	-	-	-	-	-	-	-	-	-
Total	1	1	1	1	1	1	1	1	1	1
Bulk Raw Water										
Added	1	-	-	-	-	-	-	-	-	-
Total	1	1	1	1	1	1	1	1	1	1
PROJECTED FLOW (1,000 gal)										
Retail										
Gallons per Day (in 1,000 gallons)	17.30	17.30	33.55	33.55	33.55	33.55	33.55	33.55	33.55	33.55
Gallons per Year (in thousand gallons)	3,349	3,349	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Fire Protection										
Gallons per Day (in 1,000 gallons)	-	-	-	-	-	-	-	-	-	-
Gallons per Year (in thousand gallons)	-	-	-	-	-	-	-	-	-	-
Bulk Raw Water										
Gallons per Day (in 1,000 gallons)	1,160	1,250	1,340	1,700	1,900	2,075	2,400	2,530	2,650	2,750
Gallons per Year (in thousand gallons)	423,400	456,250	489,100	620,500	693,500	757,375	876,000	923,450	967,250	1,003,750
	3314.285714	3571.42857	3828.57143	4857.14286	5428.57143	5928.57143	6857.14286	7228.57143	7571.42857	7857.14286
Total Flows										
Retail	3,349	3,349	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Bulk Raw Water	423,400	456,250	489,100	620,500	693,500	757,375	876,000	923,450	967,250	1,003,750
Total Flows	426,749	459,599	495,415	626,815	699,815	763,690	882,315	929,765	973,565	1,010,065
Total Capacity (end of Phase 2)										
Retail	12,775	12,775	12,775	12,775	12,775	12,775	12,775	12,775	12,775	12,775
Bulk Raw Water	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750	1,149,750
Total Capacity	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525	1,162,525
% Buildout	0.37	0.40	0.43	0.54	0.60	0.66	0.76	0.80	0.84	0.87

FARMTON WATER RESOURCES LLC
 CAPITAL EXPENDITURES
 RETAIL WATER SUPPLY

SUPPORT TABLE E-1

Account No. and Name	In Service Year	Cost	Depreciation Life	CIAC	Funded By CIAC
307.1 Wells & Springs					
6 4" well, pump, motor and controls	2002	\$ 18,750	20	75.00%	\$ 14,063
1 4" well, pump, motor and controls (Existing)	2002	-	20	100.00%	-
304.2 Structures & Improvements					
0 Well and Control Building (400 s.f.)	2002	-	37	75.00%	-
310.2 Power Generation					
0 Generator (25 kw)	2002	-	17	75.00%	-
311.2 Pumping Equipment					
6 Sitework	2002	3,750	17	75.00%	2,813
1 Electrical (Site & Transmission)	2002	12,500	17	75.00%	9,375
6 Yard Piping	2002	750	17	75.00%	563
320.3 Water Treatment Equipment					
6 Chlorinators	2002	1,500	7	75.00%	1,125
330.4 Distribution Reservoirs & Stand Pipes					
6 100-Gallon Bladder Type Hydro-Tank	2002	3,750	30	75.00%	2,813
334.4 Meters & Meter Installations					
6 5/8" X 3/4"	2002	2,250	17	75.00%	1,688
301.5 General Plant					
1 Organization Costs	2002	2,400	40	75.00%	1,800
341.5 Transportation Equipment					
0 Vehicles, tools, & misc.	2002	-	6	75.00%	-
TOTAL RETAIL WATER SUPPLY		\$ 45,650			\$ 34,238
Allocation to CIAC		\$ 34,238			
Investment		11,413			
		\$ 45,650			

FARMTON WATER RESOURCES LLC
 CAPITAL EXPENDITURES
 FIRE PROTECTION

SUPPORT TABLE E-2

Description & Quantity	In Service Year	Cost	Depreciation Life	CIAC	Funded By CIAC
307.1 Wells & Springs					
10 4" well	2002	\$ 25,000	20	100.00%	\$ 25,000
301.5 General Plant					
1 Organization Costs	2002	1,400	40	100.00%	1,400
TOTAL FIRE PROTECTION		<u>\$ 26,400</u>			<u>\$ 26,400</u>
Allocation to CIAC Investment		\$ 26,400			
		<u>-</u>			
		<u>\$ 26,400</u>			

FARMTON WATER RESOURCES LLC
 CAPITAL EXPENDITURES
 BULK RAW WATER SUPPLY

SUPPORT TABLE E-3

Description & Quantity		In Service Year	Cost	Depreciation Life	CIAC	Funded By CIAC
303.1	Land & Land Rights					
36	Plant/Well sites (acre)	2002	\$ -	N/A	60.00%	\$ -
36	Plant/Well sites (acre)	2007	-	N/A	60.00%	-
307.1	Wells & Springs					
7	12" well, pump, motor and controls	2002	1,260,000	20	60.00%	\$ 756,000
8	12" well, pump, motor and controls	2007	1,440,000	20	60.00%	864,000
304.2	Structures & Improvements					
7	Well and Control Building (400 s.f.)	2002	84,000	37	60.00%	50,400
8	Well and Control Building (400 s.f.)	2007	96,000	37	60.00%	57,600
310.2	Power Generation					
0	Generator (120 kw)	2002	-	17	60.00%	-
311.2	Pumping Equipment					
7	Sitework	2002	16,800	17	60.00%	10,080
7	Electrical (Site)	2002	84,000	17	60.00%	50,400
1	Electrical (Transmission)	2002	240,000	17	60.00%	144,000
7	Yard Piping, Valves	2002	16,800	17	60.00%	10,080
8	Sitework	2007	19,200	17	60.00%	11,520
8	Electrical (site)	2007	96,000	17	60.00%	57,600
8	Yard Piping, Valves	2007	19,200	17	60.00%	11,520
331.4	Transmission & Distribution Mains					
8,000	24" PVC Pipe to Service Area Boundary (ft)	2002	1,152,000	40	60.00%	691,200
1	Telemetry	2002	60,000	40	60.00%	36,000
7,000	16" PVC Transmission Pipe (ft)	2007	630,000	40	60.00%	378,000
1	Telemetry	2007	60,000	40	60.00%	36,000
301.5	General Plant					
1	Organization Costs	2002	246,300	40	60.00%	147,780
TOTAL BULK RAW WATER SUPPLY			\$ 5,520,300			\$ 3,312,180
			\$ 5,274,000			
Allocation to CIAC			\$ 3,312,180			
Investment			2,208,120			
			\$ 5,520,300			

WATER TARIFF

FARMTON WATER RESOURCES, LLC
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

FARMTON WATER RESOURCES, LLC
NAME OF COMPANY

1625 Maytown Road, Osteen, Florida 32764
(ADDRESS OF COMPANY)

407/322-5693
(Business & Emergency Telephone Numbers)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

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EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER -

COUNTY - Volusia and Brevard

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

Order Number

Date Issued

Docket Number

Filing Type

ORIGINAL CERTIFICATE

(Continued to Sheet No. 3.1)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC
WATER TARIFF
(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Township 18 South, Range 33 East, Volusia County, Florida

All of Sections 10, 11, 12, 13, and 14
The East ½ of Sections 15 and 22
All of Sections 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, 35 and 36

Township 19 South, Range 33 East, Volusia County, Florida

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29
Section 30 and the North ½ of Section 31, lying East of the St. Johns River
Sections 32, 33, 34 and 35 lying northerly of the railroad right-of-way
All of Section 36

Township 20 South, Range 33 East, Volusia County, Florida

All of Sections 1, 12, 13 and 24

Township 19 South, Range 34 East, Volusia County, Florida

All of sections 5, 6, 7, 8, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33

Township 20 South, Range 34 East, Brevard County, Florida

All of Sections 4, 5, 6, 7, 8, 17, 18, 19 and 20

Together With:

Township 20 South, Range 34 East and Township 21 South, Range 34 East and Township 21 South, Range 33 East, Brevard County, Florida

All of Sections 6, 7, 8, 10, 11, 12, 13, 24, 25, 26, 27 and a portion of Section 37 of the plat of Indian River Park subdivision of the Bernardo Sequi Grant recorded in Plat Book 2, Page 33 of the Public Records of Brevard County, Florida being more particularly described as follows:

Beginning at the southeast corner of Section 20, Township 20 South, Range 34 East thence N78°15'40"E, a distance of 2,203.90 feet; thence S18°04'14"E, a distance of 5,203.03 feet; thence S78°28'51"W, a distance of 650.12 feet; thence S18°04'14"E, a distance of 650.06 feet; thence N78°28'51"E, a distance of 650.12 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 5,850.53 feet; thence N78°28'51"E, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 1,300.12 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 650.06 feet; thence N78°28'51"E, a distance of 2,600.48 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 21,437.63 feet; thence N09°25'57"W, a distance of 3,351.19 feet; thence S89°42'37"E, a distance of 4,129.52 feet; thence N00°57'50"W, a distance of 5,354.01 feet; thence N01°00'59"W, a distance of 5,235.95 feet; thence N01°22'29"W a distance of 2,576.62 feet; thence N78°15'40"E, a distance of 10,900.37 feet to the point of beginning.

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Seminole		All	
Volusia		All	
Brevard		All	

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is Farnton Water Resources, LLC.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

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(Continued to Sheet No. 6.1)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

(Continued from Sheet No. 6.0)

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EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.

The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.

8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

(Continued from Sheet No. 7.0)

- 9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be billed to the Customer as the case may be pursuant to Rule 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

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Bulk Raw Water, BRWS	15.0
Fire Protection, FPS	14.0
General Service, GS	12.0
Meter Test Deposit	17.0
Miscellaneous Service Charges	18.0
Residential Service, RS	13.0
Service Availability Fees and Charges	19.0

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8"	\$ 3.58
3/4"	5.37
1"	8.95
1 1/2"	17.90
2"	28.64
3"	53.70
Gallonage charge per 1,000 Gallons	\$ 0.65

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Original Certificate

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8"	\$ 3.58
3/4"	5.37
1"	8.95
1 1/2"	17.90
2"	28.64
3"	53.70

Gallorage charge per 1,000 Gallons \$ 0.65

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Original Certificate

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

FIRE PROTECTION SERVICE

RATE SCHEDULE FPS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For raw water service rendered for all fire protection applications within the Utility's certificated service territory.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Flat Base Charge Per Month

\$ 349.35

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Original Certificate

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

BULK RAW WATER SERVICE

RATE SCHEDULE BRWS

AVAILABILITY - Available for all requests for bulk raw water purchased for treatment and resale.

APPLICABILITY - Available for all requests for bulk raw water purchased for treatment and resale.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Base charge annually per 1 MGD of commitment

Take or pay base annual charge per 1 MGD of commitment and up to 1 MGD of usage \$317,903

Gallongage charge per 1,000 gallons used above commitment: \$ 0.33

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, service may then be discontinued.

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>N/A</u>	<u>N/A</u>
1"	<u>N/A</u>	<u>N/A</u>
1 1/2"	<u>N/A</u>	<u>N/A</u>
Over 2"	<u>N/A</u>	<u>N/A</u>

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of _____ each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING -

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

METER TEST DEPOSITS

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE -

TYPE OF FILING -

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ <u>15.00</u>
Normal Reconnection Fee	\$ <u>15.00</u>
Violation Reconnection Fee	\$ <u>Actual Cost (1)</u>
Premises Visit Fee (in lieu of disconnection)	\$ <u>10.00</u>

EFFECTIVE DATE -

TYPE OF FILING -

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC
 WATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

Refer to Service
 Availability Policy
 Sheet No./Rule No.

<u>Description</u>	<u>Amount</u>
<u>Back-Flow Preventor Installation Fee</u>	
5/8" x 3/4"	\$
1"	\$
1 1/2"	\$
2"	\$
Over 2"	\$ ¹
<u>Customer Connection (Tap-in) Charge</u>	
5/8" x 3/4" metered service	\$
1" metered service	\$
1 1/2" metered service	\$
2" metered service	\$
Over 2" metered service	\$ ¹
<u>Guaranteed Revenue Charge</u>	
With Prepayment of Service Availability Charges:	
Residential-per ERC/month (__ GPD)	\$
All others-per gallon/month	\$
Without Prepayment of Service Availability Charges:	
Residential-per ERC/month (__ GPD)	\$
All others-per gallon/month	\$
<u>Inspection Fee</u>	\$ ¹
<u>Main Extension Charge</u>	
Residential-per ERC (__ GPD)	\$
All others-per gallon	\$
or	
Residential-per lot (__ foot frontage)	\$
All others-per front foot	\$
<u>Meter Installation Fee</u>	
5/8" x 3/4"	\$
1"	\$
1 1/2"	\$
2"	\$
Over 2"	\$ ¹
<u>Plan Review Charge</u>	\$ ¹
<u>Plant Capacity Charge</u>	
Residential-per ERC (__ GPD)	\$
All others-per gallon	\$
<u>System Capacity Charge</u>	
Residential-per ERC (__ GPD)	\$
All others-per gallon	\$

¹Actual Cost is equal to the total cost incurred for services rendered by a Customer.

EFFECTIVE DATE -
TYPE OF FILING -

EARL UNDERHILL
 ISSUING OFFICER

MANAGER
 TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

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APPLICATION FOR WATER SERVICE	22.0
COPY OF CUSTOMER'S BILL	25.0
CUSTOMER'S GUARANTEE DEPOSIT RECEIPT	21.0

EARL UNDERHILL
ISSUING OFFICER
MANAGER
TITLE

ORIGINAL SHEET NO. 21.0

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

ORIGINAL SHEET NO. 22.0

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

APPLICATION FOR WATER SERVICE

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

Sample Application Form

Name _____ Telephone Number _____

Billing Address _____

City _____ State _____ Zip _____

Service Address _____

City _____ State _____ Zip _____

Date service should begin _____

Service requested: Water ____ Wastewater ____ Both ____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff.
4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

Signature

Date

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

APPLICATION FOR METER INSTALLATION

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

ORIGINAL SHEET NO. 25.0

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

COPY OF CUSTOMER'S BILL

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Acceptance of Facilities		
Availability		
Construction of Oversized Facilities		
Customer Connection (Tap-in)		
Customer Installation (Customer Maintained Lines)		
Cost Records and "As-Built" Plans		
Design by Independent Engineers		
Developer Agreements		
Easements and Rights-of-Way		
Extensions Outside Certificated Territory		
General Information		
Inspections		
Obligations of Developer		
Obligations of Company		
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System Design and Construction		
Table of Daily Flows		
Transfer of Contributed Property - Bills of Sale		

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Schedule of Fees and Charges	Go to Sheet No. 19.0
Service Availability Policy	28.0

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

NAME OF COMPANY FARMTON WATER RESOURCES, LLC

WATER TARIFF

SERVICE AVAILABILITY POLICY

EARL UNDERHILL
ISSUING OFFICER

MANAGER
TITLE

Exhibit "B"
Farmton Water Resources LLC
Estimated Equivalent Residential Connections (ERCs)
Test Year 2009

Customer Class	Meter Size	Number of ERCs
Retail Potable:		
Residential	5/8"	2
General Service ⁽¹⁾	5/8"	94
Fire Protection:		
	N/A ⁽²⁾	N/A ⁽²⁾
Bulk Raw Water:		
	12.0"	7,229

-
- Note: (1) Includes service to Miami Tract Hunt Club, Inc., which has 260 member families.
(2) A total of twelve (12) wells are proposed. Since these wells will only be used in the event of a fire, these wells will not have permanently installed pumps, power, or meters.

LEASE AGREEMENT

THIS LEASE is made and entered into this ___ day of _____, 2002, by and between "Miami Corporation", a Delaware corporation (hereinafter referred to as ("Owner")), and "Farmton Water Resources LLC", a Delaware limited liability corporation (hereinafter referred to as ("Service Company")).

Owner hereby leases to Service Company, and Service Company hereby hires from Owner, the real property and Well Site Production Facilities described below, upon terms and subject to the conditions set forth herein.

1. DEFINITIONS.

The following definitions of terms used in this Lease shall apply unless the context indicates a different meaning:

- A. "Well Site Production Facilities" - All well casings, pumps, and water supply, transmission, and distribution pipes and equipment, and other appurtenant and associated facilities.
- B. "Point of Delivery" - The point where the water leaves the meter connected to customer's piping.
- C. "Property" - The land described in Exhibit "A".
- D. "Well Sites" - The sites upon which Well Site Production Facilities are currently located as shown on Exhibit "B" attached hereto, and such additional Well Sites permitted pursuant to this Lease.

2. TERM.

This Lease shall be effective for a period of ninety-nine (99) years, beginning immediately after certification of the Service Company by the Florida Public Service Commission, and ending ninety-nine (99) years thereafter, unless sooner terminated as provided herein.

3. ROYALTY PAYMENTS.

Service Company shall pay to Owner a monthly royalty of \$_____ per thousand gallons of water withdrawn from each well site and \$5,000 per year for maintenance building site, plus sales tax, all as compensation for the Service Company's right to utilize owners property and the impact of Service Company's right to utilize and withdraw water from Owner's property and the impact of such uses on Owner's other properties. Royalty payments shall be paid on or before the first of each month. At least ninety (90) days but not earlier



than one hundred twenty (120) days prior to the end of the third year of this Lease, and within the same period prior to the end of each succeeding 3-year period, Service Company and Owner shall renegotiate the periodic royalty to be paid over the next 3-year period. The purpose of renegotiating the periodic royalty is to reflect the increase in the fair value of the property, the rights to withdraw water, and Well Site Production Facilities over the last 3-year period. If Service Company and Owner are unable to agree on the amount of increase in the periodic royalty to be paid over the subject 3-year period, then at least forty-five (45) days but not earlier than ninety (90) days prior to the commencement of the subject 3-year period, Service Company and Owner shall agree upon a qualified appraiser who will calculate the increase in the periodic royalty to be paid over the subject 3-year period. If the parties are unable to agree upon an appraiser to be used, then Service Company and Owner shall select a qualified appraiser of its choice and make the calculations, and the average of the two appraisers shall be binding on the parties. Calculations by the appraiser or appraisers shall in either case be made and delivered to Service Company and Owner at least fifteen (15) days prior to the commencement of the subject 3-year period. Neither the calculations of the appraiser or appraisers nor anything contained herein shall operate to reduce the periodic royalty below the amount of the periodic royalty in effect at the time the negotiations or calculations are conducted as set forth herein or below the then existing periodic royalty plus inflation using the compounded index percentage approved for regulated water and wastewater utilities by the Florida Public Service Commission for each intervening year since that last royalty amount was set.

In addition to renegotiating the periodic royalty every 3 years as set forth above, any time that, in Owner's reasonable opinion, the impact of any local, regional, state, or federal rule, ordinance, law, or policy directly or indirectly affects Owner's use of the Property or its other lands not subject to this Lease by further restricting or requiring changes in land or water uses near Well Sites, or as a result of withdrawals or activities related to withdrawals, Service Company and Owner shall renegotiate the periodic royalty. The purpose of this renegotiation shall be to reflect the diminution in value of the affected Property or other lands of Owner. At anytime that Owner reasonably deems such diminution in value to have occurred, Owner shall notify Service Company in writing and, within forty-five (45) days thereof, Owner and Service Company shall renegotiate the periodic royalty to compensate Owner for the diminution in value. If Owner and Service Company are unable to agree on a renegotiated periodic royalty, then Service Company and Owner shall agree upon a qualified appraiser who will calculate such compensation. If the parties are unable to agree upon a qualified appraiser to be used, the Owner and Service Company shall each select a qualified appraiser of its choice to make the necessary calculations, and the average of the two appraisers shall be binding on the parties.

4. DESCRIPTION OF LEASED PREMISES.

The premises subject to the Lease shall initially consist of the ___ non-potable and ___ potable Well Sites as outlined on Exhibit "B". Each Well Site shall be approximately 2,500 square feet or other size as needed, in a square configuration, with the Well Site Production Facilities approximately in the center of the sites. In addition, the proposed maintenance building site shall consist of approximately 2-3 acres. All portions of said Well Sites heretofore and currently used for residential or commercial facilities or purposes shall be excluded from said 2,500 square foot sites and shall not be included in the premises subject to this Lease. In the event any governmental entity or authority shall now or hereafter require a larger Well Site than 2,500 square feet, all additional or relocated Well Sites acquired pursuant to Sections 5 and 8, respectively, shall conform to the requirements of said governmental entity or authority. Owner and Service Company anticipate that this Lease may be amended in the future to include the service, operation, and lease of additional wells, surface water, or other sites, and/or Well Production Facilities pursuant to this Lease and will negotiate the terms under which those wells, surface water, or other sites, and any Well Production Facilities will be included in the Lease and the Agreement at that time.

5. ADDITIONAL WELL SITES & SURFACE WATER WITHDRAWAL SITES.

In the event that Service Company shall need additional Well Sites, and/or Well Production Facilities, Surface Water Withdrawal Sites or Water Storage Sites for the purpose of supplying Owner or third parties with water, Owner agrees to negotiate with Service Company for the lease of parcels of the Property for use as additional Well Sites, and/or Well Production Facilities, Surface Water Withdrawal Sites or Water Storage Sites. Upon such time as Service Company and Owner shall agree upon the location and other pertinent matters related to such additional Well Sites, and/or Well Production Facilities, Surface Water Withdrawal Sites, or Water Storage Sites the same shall become subject to this Lease and Service Company and Owner shall each respectively have rights and privileges set forth herein upon execution by Service Company and Owner of an appropriate Addendum to Lease so providing. Owner shall not be obligated to negotiate water rights to the detriment of its agriculture or other operatives.

6. WARRANTY OF TITLE.

Owner represents that it has good and marketable title to the Well Sites, subject only to real estate taxes not yet due and payable, matters of public record, and such other matters that do not materially interfere with Service Company's intended uses. Service Company may at any time undertake to examine title to any of the Well Sites. In the event that such examination of title shall result in the determination that there are title defects that are contrary to the status of title as above stated, Service Company may so notify Owner, specifying in writing such defects. Owner shall use diligent effort to remove or cure such defects in title within said time. In the event that Owner shall be unable to remove or cure

such title defects within the specified time, Service Company shall have the option of either waiving said title defects or canceling this Lease as to the Well Site to which title defects are applicable and receiving a prorata refund of any royalties paid in advance. In the event that uncured title defects shall adversely affect the Well Sites to the extent or degree that it materially interferes with Service Company's ability to perform its obligations under the terms of this Lease, Service Company shall be entitled to cancel this Lease and receive a prorata refund of any advance royalties paid on any of the Well Sites.

7. USE OF WELL SITES.

The Well Sites shall be used for the sole purpose of withdrawing water and supplying it to Owner or third parties in accordance with the provisions of the Agreement or third party agreements.

8. UNPRODUCTIVE WELL SITES.

If any Well Site becomes unproductive, upon written notice of the same to Owner, the unproductive Well Site shall no longer be subject to the terms of this Lease, and the periodic royalty shall be reduced prorata accordingly. In such event, the well shall be plugged at Service Company's expense in accordance with applicable Water Management District requirements and other applicable statutes, ordinances, or regulations. If Owner and Service Company cannot agree upon the amount of the reductions of the periodic royalty, the amount of the reductions shall be determined by a qualified appraiser selected by agreement of the parties. If the parties cannot agree on an appraiser, Owner and Service Company, at their own expense, shall each select an appraiser of its choice to calculate the reductions, and the average of the two calculations shall be binding upon the parties.

If Owner shall reasonably determine that for Owner's beneficial use of the Property and Well Site (whether an existing Well Site or on a Well Site hereafter leased) must be relocated, Owner will provide a substitute Well Site located as closely as reasonably possible to the one removed, and Owner shall bear the expense of such relocation, including cost of plugging. The periodic royalty shall be renegotiated based upon the costs of such relocation efforts.

Upon the abandonment of any Well Site, or the removal from any Well Site, Service Company shall clean up the Well Site and leave the same in neat and presentable condition.

9. PERMITS.

Prior to constructing or operating any Well Site Production Facility or servicing any customer, Service Company shall obtain, at its sole expense, unless specifically provided otherwise in the Agreement, all necessary permits, certificates, and approvals necessary to construct and operate Well Site Production Facilities, withdraw water from Well Sites, transmit water to the Property and collect Tariffs for water supplied to customer and any other person or entity, as may be required by any governmental entity, including, without limitation, the applicable water management districts, Public Service Commission, county governments, U.S. Army Corp of Engineers, and the Department of Environmental Protection. The owner has the right to approve, prior to filing, the identity of the applicant and the form and substance of any such permit application.

10. INSTALLATION OF WELL SITE PRODUCTION FACILITIES.

If any Well Site, whether initially subject to this Lease or hereafter leased, does not have complete and operable Well Site Production Facilities in place at the time of execution of this Lease or at the time such Well Site becomes subject to this Lease, then Service Company, at Service Company's expense, shall install the Well Site Production Facilities or replace the missing or defective parts necessary to eliminate the deficiency as soon as reasonably possible after the date of this Lease or after the date of acquisition in the case of a Well Site hereafter acquired.

11. MAINTENANCE AND REPAIR.

As of the effective date of this Lease (in case of existing Well Sites and Well Site Production Facilities), and after the initial installation as set forth in Section 10 above (in the case of those facilities covered by Section 10), Service Company shall be responsible for the continuous operation and maintenance of the Well Sites and Well Site Production Facilities during the term of this Lease, unless otherwise agreed in writing by Service Company and Owner. Service Company's responsibilities shall include replacement of any component parts of the Well Site Production Facilities when such becomes necessary due to destruction, wear and tear or otherwise. Service Company shall also keep the Well Sites in a neat, clean and presentable condition. Owner agrees to assign any and all warranties and/or maintenance bonds and the right to enforce the same to Service Company and to provide Service Company with any existing operation/maintenance and parts manuals with respect to the Well Site Production Facilities. Customer's pipes, apparatus and equipment on customer's side of the Point of Delivery shall be selected, installed, used and maintained in accordance with good practices in the industry and in full compliance with all applicable laws and governmental regulations. Service Company shall, at all reasonable times and hours, have the right to inspect Customer's internal lines and facilities. Customer shall bear the responsibility for the maintenance and replacement of any pipes or related transmission equipment on Customer's side of the Point of Delivery.

12. ELECTRICAL POWER.

Service Company represents that electrical power for the proposed operations on all Well Sites requiring electricity is available from the appropriate power companies having authority to serve the Well Sites or, if not, acquiring electric power from such companies or alternative source shall be the responsibility of Service Company. Owner shall reasonably cooperate with Service Company in assisting Service Company to obtain electrical power from the closest power source of the appropriate power company to each Well Site, including additional Well Sites hereafter acquired, so as to service the operations of Service Company at each Well Site. Owner shall have the right to approve the location of poles, transistors, electrical lines, or other necessary installations, and Owner shall not unreasonably withhold such approval. Owner shall have the right to require underground installation of utilities. Service Company shall bear all expenses incurred in connection with the installation and continued service by the appropriate power company or other source of electric power. Service Company shall reimburse Owner for any attorney's fees incurred by Owner in connection with the preparation, review, or negotiation of documents or for consultations in relation to obtaining and maintaining electrical power for the proposed operations at each Well Site, including but not limited to the placement of poles, transistors, electrical lines and other necessary installations.

13. INGRESS AND EGRESS.

Owner hereby grants Service Company nonexclusive ingress and egress to the Well Sites during the period of time this Lease remains in force and subject to the limitations of this Section. Service Company's nonexclusive right of ingress and egress may be exercised only during the times and solely for the purposes set forth in this Lease. If county or state roads provide reasonable means of ingress and egress to the Well Sites, Service Company shall use such county or state roads. In the event that ingress and egress is available only upon roads other than county or state roads, Service Company shall so notify Owner, and Owner shall specify existing roads or ways for ingress and egress to be used by Service Company. Owner shall make reasonable efforts to specify roads or ways located so as to permit Service Company to exercise and enjoy the privileges created by this Lease without undue interference, but Owner shall have no affirmative obligations to improve, maintain, or repair any such road for use by Service Company. In specifying roads for ingress and egress, Owner shall from time to time instruct Service Company as to specific gates to be used and procedures for locking and unlocking gates. Service Company agrees to comply with such instructions of Owner. Service Company shall be solely responsible for security on all gates used by Service Company for ingress and egress. Any roads or accessways used by Service Company shall be used by Service Company at its own risk and shall be maintained by Service Company so as to permit continued safe vehicular passage and shall be left in a condition at least as good as originally found by Service Company at the commencement of this Lease. Owner agrees that, in the event Owner leases additional Well Sites to Service Company, Owner shall grant to Service Company such additional easements as may be necessary to provide ingress and egress to such additional Well Sites.

14. LOCKS, GATES, FENCES.

Service Company shall place no new locks on Owner's gates without the prior consent of Owner. If Owner permits Service Company to place locks on its gates, the locks shall be clearly identified to Owner and placed so that they will not prohibit access by others who have locks on the gates. Service Company shall give keys only to authorized employees.

Service Company agrees that it shall immediately close and securely fasten gates or gaps in fences that are opened by Service Company or observed open, whether or not such were opened by someone else. No new gaps or gates shall be made in any fence without the prior consent of Owner.

Service Company shall in no way tamper with, alter, or modify any of Owner's existing fences or cattle or wildlife control equipment or devices without the prior consent of Owner. In the event any fences require repair due to the negligence or other activities of Service Company, Owner shall make such repairs and Service Company shall indemnify Owner for the costs of such repair.

15. PROHIBITED ACTIVITIES.

Service Company shall not take or remove, kill, or otherwise molest any livestock or wildlife on any of Owner's lands, nor shall the Service Company take, remove, disturb, or otherwise molest any standing timber on owner's lands without the prior consent of owner. Service Company covenants that Service Company will hold Owner harmless from all damage caused by Service Company or its agents or employees to such livestock, wildlife, or timber and to promptly notify and reimburse Owner for any such damage. No hunting or fishing shall be permitted on any of Owner's lands by Service Company, its agents, or employees. Service Company shall at no time have dogs or guns or firearms on any of Owner's lands. Service Company will at no time cause any fires to be set on any of Owner's lands, except for the purposes of disposing of debris and only with the prior written consent of Owner. If Owner grants consent, Service Company shall be solely responsible for obtaining the necessary and required permits and for all expenses related thereto. If any employees, agents, or subcontractors of Service Company shall violate the provisions of this paragraph, Owner shall be entitled to require that such person or persons be prohibited from subsequently coming onto Owner's lands. Should Service Company fail to exercise reasonable measures to prevent such person or persons from subsequently coming onto Owner's lands, such act shall be deemed a default hereunder.

16. INSPECTION BY OWNER.

Owner or Owner's agent may at any time enter upon any Well Site to view the condition thereof and to observe Service Company's operations thereon.

17. REAL ESTATE, PERSONAL PROPERTY AND INTANGIBLE TAXES.

Service Company shall pay all real estate, personal property, and intangible taxes, and all increases in real estate taxes on the Well Sites and Well Production Facilities accruing during the time that this Lease remains in force, including any increases resulting from the construction of any additions or improvements or the installation of any equipment on the Well Sites (which in order to do, Service Company shall first obtain the written consent of Owner, except for those installations expressly permitted by Owner under this Lease or in the Agreement), whether actual payment of such taxes is made during the term of this Lease or thereafter. If this Lease begins other than on the first day of the tax year, or if this Lease ends other than on the last day of the tax year, then the parties shall make appropriate adjustments or prorations. Additionally, Owner and Service Company acknowledge and agree that the taxes imposed upon the Property and/or Well Production Facilities and other taxes shall be computed and based on the most recently available valuations, millages, assessments, and other information (including information included in a "cut-out" customarily prepared by the county) provided by the county in which the Property is located.

18. OTHER TAXES.

Service Company shall pay all sales taxes, if any, license taxes, and any and all other taxes, except income taxes of Owner, with respect to Service Company's operations hereunder.

19. INSURANCE.

Service Company shall obtain insurance for both liability and property and Well Production Facilities at all times during the term of this Lease, and in amounts sufficient to cover all reasonable damage or claims to the property or by third persons and shall specifically name the Owner as co-insured with Service Company. Service Company shall obtain such insurance at its sole cost and expense and shall be fully responsible for all payments and renewals related to such policies.

20. HOLD HARMLESS, ATTORNEY'S FEES.

A. Indemnity to Owner.

Service Company shall indemnify and defend Owner and hold Owner harmless from and against every claim or demand with respect to bodily injury, death, property damage, nuisance, or other loss or damage of any kind, including attorney's fees and costs incurred by Owner, arising out of Service Company's negligence in the use or

occupancy or operation of any Well Site, Well Site Production Facility, or any Service Company's activities on or about any Well Site. Service Company's duty to indemnify shall include indemnification from and against any fine, penalty, liability, or cost arising out of Service Company's violation of any law, ordinance, or governmental regulation applicable to Service Company's use or occupancy of any Well Site or Service Company's activities on or about any Well Site, or other of Owner's lands.

B. Indemnity to Service Company.

Owner shall indemnify and defend Service Company and hold Service Company harmless from and against every claim or demand with respect to bodily injury, death, property damage, nuisance, or other loss or damage of any kind, including attorney's fees and costs incurred by Service Company, arising out of Owner's negligence in discharging its duties under the lease of any Well Site, Well Site Production Facility, or Owner's activities on or about any Well Site. Owner's duty to indemnify shall also include indemnification from and against any fine, penalty, liability, or cost arising out of Owner's violation of any law, ordinance, or governmental regulation applicable to Owner's use or occupancy of any Well Site or Owner's activities on or about any Well Site.

C. "Costs and Attorney's Fees.

In the event Service Company or Owner brings an action to enforce this Lease by Court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, together with reasonable attorney's fees at all levels, including appeals.

21. DEFAULT.

The occurrence of one or more of the following is an event of default by Service Company: the failure of Service Company to perform any obligation for the payment of money within 15 days after the time within which the payment is to be made as provided in the section of this Lease creating the obligation; the failure of Service Company to perform and comply with any obligation imposed upon Service Company by this Lease, other than the payment of money, and the failure continues beyond a reasonable period of time for curing such failure to perform, after written notice thereof from Owner to Service Company, except that any breach by Service Company of the obligations set forth in Section 15 shall be deemed a default hereunder without any notice, grace, or curative period; proceedings under the Bankruptcy Act for bankruptcy are filed by or against Service Company, and if filed against Service Company, have not been dismissed within thirty (30) days after the filing; assignment of Service Company's property for the benefit of creditors is made; a receiver, conservator, or similar officer is appointed by a court of competent jurisdiction to take charge of all or a substantial part of Service Company's property, and within thirty (30) days after appointment the officer is not discharged and possession of the property is not

restored to Service Company; Service Company's interest in the Well Sites and Well Site Production Facilities, or under this Lease or the Agreement is the subject of taking or levy under execution, attachment, or other process of law and the action is not canceled or discharged within thirty (30) days after its occurrence; Service Company abandons the Property; or Service Company defaults under this Agreement.

If Owner shall default in any of its obligations hereunder, Service Company shall give written notice thereof to Owner, and Owner shall have a reasonable period of time after receipt of such notice in which to cure such default. Any default of Owner under the Agreement shall be deemed a default hereunder.

Owner and Service Company shall have the right to terminate this Lease for any default of the other; provided that where curative periods are applicable, Owner and Service Company may only terminate if the default remains uncured through the expiration of such curative periods.

22. ASSIGNABILITY.

Service Company may not assign, pledge, or encumber Service Company's rights hereunder. Any assignment, pledge or encumbrance of Service Company's stock shall be deemed a prohibited assignment hereunder and a default under the terms of this Lease.

23. RECORDING.

Neither Owner nor Service Company shall record this Lease without prior written consent of the other, which consent shall not be unreasonably withheld.

24. ADDRESSES, NOTICES; TIME.

Notices hereunder shall be given by manual delivery, telegraph, or mail addressed as provided below. For the purpose of this Lease, the addresses of the parties are:

Owner:

Service Company:

Notice given by telegraph shall be deemed received when filed for transmission with an authorized dispatching office of the telegraph company in the United States, charges

prepaid. Notice given by certified mail shall be deemed received when deposited in the United States mails, postage prepaid. Notice given otherwise shall be deemed received when received at the address to which sent or when actually received by the party to whom addressed. Either party may change its address by giving written notice to the other, but the change shall not become effective until the notice is actually received by the other party. Payments due Owner hereunder shall be made to Owner at Owner's address set forth above (or at a changed address as provided above). If the last day for giving any notice or performing any act hereunder falls on a Saturday, Sunday, or a day on which the United States post offices are not open for the regular transaction of business, the time shall be extended to the next day that is not a Saturday, Sunday, or post office holiday.

25. BINDING EFFECT OF LEASE.

This Lease shall be binding upon and shall inure to the benefit of Owner, Service Company, and their respective assigns and successors by merger, consolidation, conveyance, or otherwise, subject to the limiting terms of this Lease.

26. DOCUMENTATION.

Service Company and Owner agree that each shall execute such other documentation as may reasonably be required from time to time to effectuate the intent of this Lease.

27. INTERPRETATION.

It is agreed by and between the parties hereto that all words, terms and conditions contained herein are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another in the interpretation of this Lease.

28. EFFECTIVE DATE.

This Lease shall become effective and binding upon Owner and Service Company at the time of execution by both parties.

29. STRICT COMPLIANCE.

Failure to insist upon strict compliance of any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time be deemed a waiver or relinquishment of such right or power at any other time or times.

30. CONFLICT WITH THE AGREEMENT.

In the event of any conflict between the terms of this Lease and terms of the Agreement, the terms of the Agreement shall control.

IN WITNESS WHEREOF, Owner and Service Company have caused this Lease, with the named Exhibits attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy for all purposes.

Signed, Sealed and Delivered
in the Presence of:

Miami Corporation

By: _____
"Owner"

Farmton Water Resources LLC

By: _____
"Service Company"

miami\3lease.agr

Miami Tract Hunt Club Inc
1721 Royal Palm Drive
Edgewater, Florida 32132
February 6, 2002

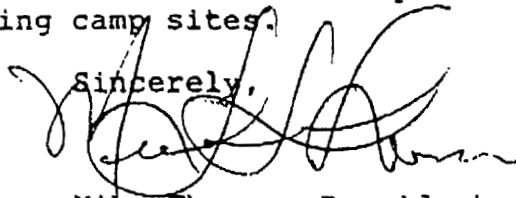
Mr. Earl Underhill
Miami Corporation
1625 Maytown Road
Osteen, Florida 32764

Dear Earl:

As we discussed, we at the Miami Tract Hunt Club are planning to develop several hunting camp sites which would need potable water service for our 260 member families. I would propose four sites be located at the areas noted on the attached map. As I understand, it is the intent to provide water services throughout the property owned by the Miami Corporation through a separate regulated utility. I understand we would be required to pay a reasonable fee for that potable water service, and that such fees and charges would be determined by the Florida Public Service Commission.

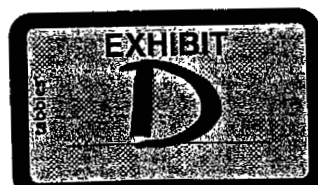
Please let me know as soon as such services can be made available, so that we can commence with our plans for development of the hunting camp sites.

Sincerely,



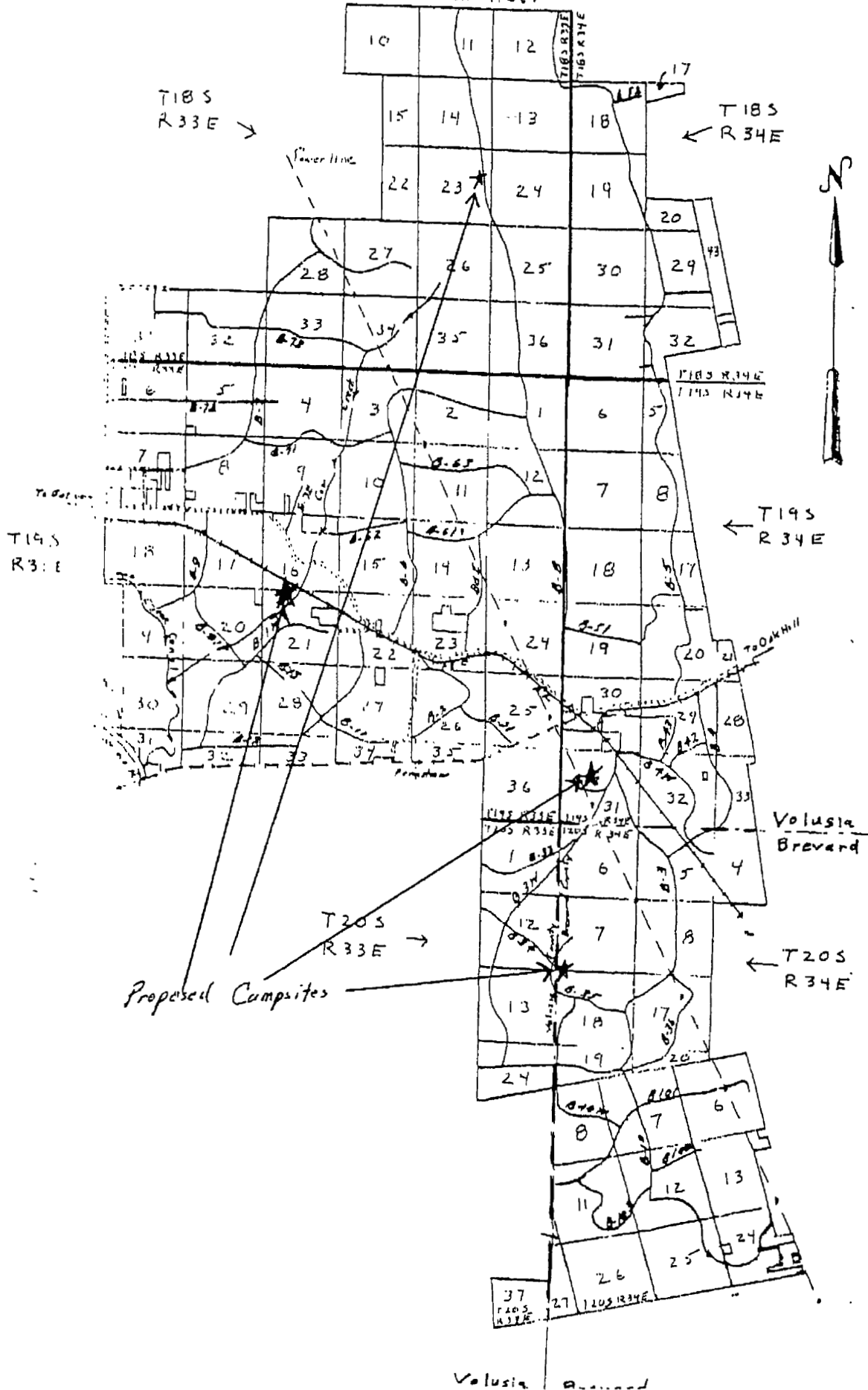
Mike Thomas, President
Miami Tract Hunt Club Inc.

Encl



Revised 8/99

MIAMI CORPORATION Farmland Tract



FARMTON MANAGEMENT, LLC

STATEMENT OF ASSETS, LIABILITIES AND MEMBER'S CAPITAL

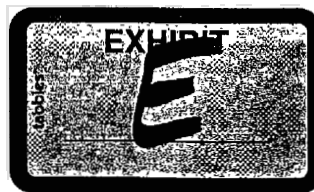
DECEMBER 17, 2002

ASSETS

CASH & CASH EQUIVALENTS	\$ 1,040,000
INVESTMENT IN FARMTON WATER RESOURCES, LLC	<u>10,000</u>
TOTAL ASSETS	<u>\$ 1,050,000</u>

LIABILITIES & MEMBER'S CAPITAL

MEMBER'S CAPITAL	<u>\$ 1,050,000</u>
TOTAL LIABILITIES & MEMBER'S CAPITAL	<u>\$ 1,050,000</u>



Township 18 South, Range 33 East, Volusia County, Florida

All of Sections 10, 11, 12, 13, and 14

The East ½ of Sections 15 and 22

All of Sections 23, 24, 25, 26, 27, 28, 31, 32, 33, 34, 35 and 36

Township 19 South, Range 33 East, Volusia County, Florida

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29

Section 30 and the North ½ of Section 31, lying East of the St. Johns River

Sections 32, 33, 34 and 35 lying northerly of the railroad right-of-way

All of Section 36

Township 20 South, Range 33 East, Volusia County, Florida

All of Sections 1, 12, 13 and 24

Township 19 South, Range 34 East, Volusia County, Florida

All of sections 5, 6, 7, 8, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33

Township 20 South, Range 34 East, Brevard County, Florida

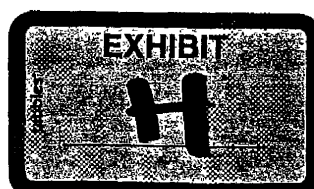
All of Sections 4, 5, 6, 7, 8, 17, 18, 19 and 20

Together With:

Township 20 South, Range 34 East and Township 21 South, Range 34 East and Township 21 South, Range 33 East, Brevard County, Florida

All of Sections 6, 7, 8, 10, 11, 12, 13, 24, 25, 26, 27 and a portion of Section 37 of the plat of Indian River Park subdivision of the Bernardo Sequi Grant recorded in Plat Book 2, Page 33 of the Public Records of Brevard County, Florida being more particularly described as follows:

Beginning at the southeast corner of Section 20, Township 20 South, Range 34 East thence N78°15'40"E, a distance of 2,203.90 feet; thence S18°04'14"E, a distance of 5,203.03 feet; thence S78°28'51"W, a distance of 650.12 feet; thence S18°04'14"E, a distance of 650.06 feet; thence N78°28'51"E, a distance of 650.12 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 5,850.53 feet; thence N78°28'51"E, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 1,300.12 feet; thence S78°28'51"W, a distance of 1,300.24 feet; thence S18°04'14"E, a distance of 650.06 feet; thence N78°28'51"E, a distance of 2,600.48 feet; thence S18°04'14"E, a distance of 650.06 feet; thence S78°28'51"W, a distance of 21,437.63 feet; thence N09°25'57"W, a distance of 3,351.19 feet; thence S89°42'37"E, a distance of 4,129.52 feet; thence N00°57'50"W, a distance of 5,354.01 feet; thence N01°00'59"W, a distance of 5,235.95 feet; thence N01°22'29"W a distance of 2,576.62 feet; thence N78°15'40"E, a distance of 10,900.37 feet to the point of beginning.



AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF LEON

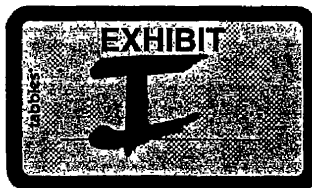
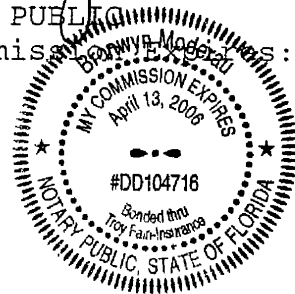
Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared TONYA M. SIMPSON who, after being duly sworn on oath, did depose on oath and say that she is the secretary of F. Marshall Deterding, attorney for Farmton Water Resources, LLC and that on December 20, 2002 she did send by regular mail, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto. The territory is not within one mile of Orange County and as such the persons within the Orange County portion of that list have not been noticed.

FURTHER AFFIANT SAYETH NAUGHT.

Tonya Simpson
Tonya M. Simpson

Sworn to and subscribed before me this, 20th day of December, 2002, by Tonya M. Simpson who is personally known to me.

Bonny Hodson
Print Name
NOTARY PUBLIC
My Commission Expires:



LIST OF WATER AND WASTEWATER UTILITIES IN VOLUSIA COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

VOLUSIA COUNTY

FLORIDA WATER SERVICES CORPORATION (WS548)
P. O. BOX 609520
ORLANDO, FL 32860-9520

CARLYN KOWALSKY
(407) 598-4297

NORTH PENINSULA UTILITIES CORPORATION (SU615)
P. O. BOX 2803
ORMOND BEACH, FL 32175-2803

ROBERT HILLMAN
(904) 441-7528 OR -6286

PLANTATION BAY UTILITY CO. (WS479)
100 PLANTATION BAY DRIVE
ORMOND BEACH, FL 32174

DOUG ROSS
(386) 437-9185

TERRA MAR VILLAGE UTILITIES, INC. (WS748)
4383 SOUTH U.S. 1
EDGEWATER, FL 32141-7346

FRANK J. UDDO
(386) 345-3662

TYMBER CREEK UTILITIES (WS246)
1951 WEST GRANADA BLVD.
ORMOND BEACH, FL 32174-6740

STEVE P SHIRAH
(386) 677-5702

LIST OF WATER AND WASTEWATER UTILITIES IN VOLUSIA COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

COUNTY MANAGER/CLERK, VOLUSIA COUNTY
123 WEST INDIANA AVENUE
DELAND, FL 32720-4612

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD., SUITE 232
ORLANDO, FL 32803-3767

EAST CENTRAL FLORIDA PLANNING COUNCIL
1011 WYMORE ROAD, SUITE 105
WINTER PARK, FL 32789

MAYOR, CITY OF DAYTONA BEACH
P. O. BOX 2451
DAYTONA BEACH, FL 32115-2451

MAYOR, CITY OF DAYTONA BEACH SHORES
3050 SOUTH ATLANTIC AVENUE
DAYTONA BEACH SHORES, FL 32118-6159

MAYOR, CITY OF DELAND
P. O. BOX 449
DELAND, FL 32721-0449

MAYOR, CITY OF DELTONA
DELTONA MUNICIPAL COMPLEX
2345 PROVIDENCE BLVD
DELTONA, FL 32725-1806

MAYOR, CITY OF EDGEWATER
P. O. BOX 100
EDGEWATER, FL 32132-0100

LIST OF WATER AND WASTEWATER UTILITIES IN VOLUSIA COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

MAYOR, CITY OF HOLLY HILL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117-2898

MAYOR, CITY OF LAKE HELEN
P. O. BOX 39
LAKE HELEN, FL 32744-0039

MAYOR, CITY OF NEW SMYRNA BEACH
210 SAMS AVENUE
NEW SMYRNA BEACH, FL 32168-7040

MAYOR, CITY OF OAK HILL
234 SOUTH U.S. HIGHWAY 1
OAK HILL, FL 32759-9647

MAYOR, CITY OF ORMOND BEACH
P. O. BOX 277
ORMOND BEACH, FL 32175-0277

MAYOR, CITY OF PORT ORANGE
1000 CITY CENTER CIRCLE
PORT ORANGE, FL 32119-9619

MAYOR, CITY OF SOUTH DAYTONA
P. O. BOX 214960
SOUTH DAYTONA, FL 32121

MAYOR, TOWN OF ORANGE CITY
205 EAST GRAVES AVENUE
ORANGE CITY, FL 32763-5213

MAYOR, TOWN OF PIERSON
P. O. BOX 527
PIERSON, FL 32180-0527

LIST OF WATER AND WASTEWATER UTILITIES IN VOLUSIA COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

MAYOR, TOWN OF PONCE INLET
4680 SOUTH PENINSULA DRIVE
PONCE INLET, FL 32019

ST. JOHNS RIVER WTR MANAGEMENT DISTRICT
P.O. BOX 1429
PALATKA, FL 32178-1429

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

LIST OF WATER AND WASTEWATER UTILITIES IN SEMINOLE COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

SEMINOLE COUNTY

ALAFAYA UTILITIES, INC. (SU445)
% UTILITIES, INC. OF FLORIDA
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FL 32714-4099

DONALD RASMUSSEN
(407) 869-1919

CWS COMMUNITIES LP D/B/A PALM VALLEY (WS832)
3700 PALM VALLEY CIRCLE
OVIDO, FL 32765-4904

SANDRA SEYFFART
(407) 365-6651

FLORIDA WATER SERVICES CORPORATION (WS230)
P. O. BOX 609520
ORLANDO, FL 32860-9520

CARLYN KOWALSKY
(407) 598-4297

SANLANDO UTILITIES CORPORATION (WS397)
% UTILITIES, INC.
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196

CARL WENZ
(847) 498-6440

UTILITIES, INC. OF FLORIDA (WS251)
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FL 32714-4099

DONALD RASMUSSEN
(407) 869-1919

UTILITIES, INC. OF LONGWOOD (SU761)
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FL 32714-4099

CARL J. WENZ
(847) 498-6440

LIST OF WATER AND WASTEWATER UTILITIES IN SEMINOLE COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CITY MANAGER, CITY OF CASSELBERRY
95 TRIPLET LAKE DRIVE
CASSELBERRY, FL 32707-3399

CLERK, BOARD OF COUNTY COMMISSIONERS, SEMINOLE COUNTY
P. O. DRAWER C
SANFORD, FL 32772-0659

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD., SUITE 232
ORLANDO, FL 32803-3767

EAST CENTRAL FLORIDA PLANNING COUNCIL
1011 WYMORE ROAD, SUITE 105
WINTER PARK, FL 32789

MAYOR, CITY OF ALTAMONTE SPRINGS
225 NEWBURYPORT AVENUE
ALTAMONTE SPRINGS, FL 32701-3642

MAYOR, CITY OF LAKE MARY
P. O. BOX 950700
LAKE MARY, FL 32746-0700

MAYOR, CITY OF LONGWOOD
175 WEST WARREN AVENUE
LONGWOOD, FL 32750-4107

MAYOR, CITY OF OVIEDO
400 ALEXANDRIA BLVD.
OVIEDO, FL 32765-6770

MAYOR, CITY OF SANFORD
P. O. BOX 1788
SANFORD, FL 32772-1788

LIST OF WATER AND WASTEWATER UTILITIES IN SEMINOLE COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

MAYOR, CITY OF WINTER SPRINGS
1126 EAST S. R. 434
WINTER SPRINGS, FL 32708-2715

ST. JOHNS RIVER WTR MANAGEMENT DISTRICT
P.O. BOX 1429
PALATKA, FL 32178-1429

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

LIST OF WATER AND WASTEWATER UTILITIES IN BREVARD COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

BREVARD COUNTY

BURKIM ENTERPRISES, INC. (WS842) 2340 N.E. DIXIE HIGHWAY JENSEN BEACH, FL 34957-5952	KEITH A. BURGE (772) 334-4557
COLONY PARK UTILITIES, INC. (SU288) 1447 NEWFOUND HARBOR DRIVE MERRITT ISLAND, FL 32952-2854	LENORE WARREN (407) 453-1400
EAST CENTRAL FLORIDA SERVICES, INC. (WU643) 4550 DEER PARK ROAD ST. CLOUD, FL 34773	JAMES B. PAYNE (407) 957-6744
FLORIDA WATER SERVICES CORPORATION (WU561) P. O. BOX 609520 ORLANDO, FL 32860-9520	CARLYN KOWALSKY (407) 598-4297
NORTHGATE PROPERTIES, INC. (WS172) 3277 FIRST AVENUE MIMS, FL 32754-3134	LESTER GROOMS (386) 428-0094
PINE LAKE MOBILE HOME ESTATES, INC. (SU698) 2505 EBER BLVD. MELBOURNE, FL 32904-8848	MARY DARRELL (407) 723-2754 OR -2125
SAN SEBASTIAN WATER, LLC (WU388) 7900 FOX CREEK TRAIL FRANKTOWN, CO 80116-9670	WILLIAM F. MCCAIN (561) 770-1093
SERVICE MANAGEMENT SYSTEMS, INC. (WS571) 235 HAMMOCK SHORE DRIVE MELBOURNE BEACH, FL 32951-3941	JAMES BATES (321) 723-2522

LIST OF WATER AND WASTEWATER UTILITIES IN BREVARD COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CLERK, BOARD OF COUNTY COMMISSIONERS, BREVARD COUNTY
P. O. BOX 999
TITUSVILLE, FL 32781-0999

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD., SUITE 232
ORLANDO, FL 32803-3767

EAST CENTRAL FLORIDA PLANNING COUNCIL
1011 WYMORE ROAD, SUITE 105
WINTER PARK, FL 32789

MAYOR, CITY OF CAPE CANAVERAL
P. O. BOX 326
CAPE CANAVERAL, FL 32920-0326

MAYOR, CITY OF COCOA
P. O. BOX 1750
COCOA, FL 32923-1750

MAYOR, CITY OF COCOA BEACH
UTILITIES DIRECTOR
P. O. BOX 322430
COCOA BEACH, FL 32932-2430

MAYOR, CITY OF INDIAN HARBOUR BEACH
2055 SOUTH PATRICK DRIVE
INDIAN HARBOUR BEACH, FL 32937-4447

MAYOR, CITY OF MELBOURNE
900 EAST STRAWBRIDGE AVENUE
MELBOURNE, FL 32901-4739

LIST OF WATER AND WASTEWATER UTILITIES IN BREVARD COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

MAYOR, CITY OF PALM BAY
120 MALABAR ROAD, S.E.
PALM BAY, FL 32907-3009

MAYOR, CITY OF ROCKLEDGE
P. O. BOX 488
ROCKLEDGE, FL 32955

MAYOR, CITY OF SATELLITE BEACH
565 CASSIA BLVD.
SATELLITE BEACH, FL 32937-3197

MAYOR, CITY OF TITUSVILLE
P. O. BOX 2806
TITUSVILLE, FL 32781-2806

MAYOR, CITY OF WEST MELBOURNE
2285 MINTON ROAD
WEST MELBOURNE, FL 32904-4916

MAYOR, TOWN OF INDIALANTIC
216 FIFTH AVENUE
INDIALANTIC, FL 32903-3199

MAYOR, TOWN OF MALABAR
2725 MALABAR ROAD
MALABAR, FL 32950-1427

MAYOR, TOWN OF MELBOURNE BEACH
507 OCEAN AVENUE
MELBOURNE BEACH, FL 32951-2523

MAYOR, TOWN OF MELBOURNE VILLAGE
555 HAMMOCK ROAD
MELBOURNE VILLAGE, FL 32904-2513

LIST OF WATER AND WASTEWATER UTILITIES IN BREVARD COUNTY

(VALID FOR 60 DAYS)
12/16/2002-02/13/2003

UTILITY NAME

MANAGER

MAYOR, TOWN OF PALM SHORES
151 PALM CIRCLE
PALM SHORES, FL 32940-7209

ST. JOHNS RIVER WTR. MANAGEMENT DISTRICT
P.O. BOX 1429
PALATKA, FL 32178-1429

STATE OFFICIALS

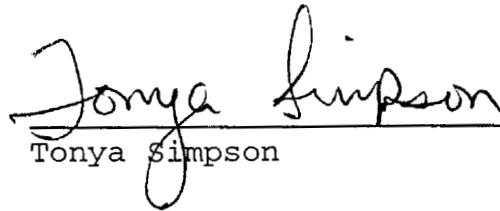
STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Original Certificate Notice

AFFIDAVIT

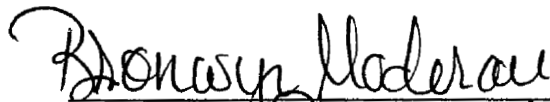
I, Tonya Simpson, assistant to F. Marshall Deterding, attorney for Farmton Water Resources, LLC, do hereby certify and swear that I have mailed the Notice to all the customers of the Utility and property owners within the territory affected by the proposed extension on this 20th day of December, 2002, in accordance with the requirements of PSC Rule 25-30.030, Florida Administrative Code.



Tonya Simpson

STATE OF FLORIDA)
COUNTY OF Leon)

The foregoing instrument was acknowledged before me this 20th day of December, 2002 by Larry DeLucenay, who is personally known to me.



Print Name Bronwyn Moderau

Notary Public
State of Florida at Large
My Commission Expires:

