

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF
SU648-03-AR

Fairmount Utilities the 2nd, Inc.

Exact Legal Name of Respondent

357-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



RECEIVED
PUBLIC SERVICE
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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2003

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FINANCIAL SECTION

REPORT OF

Fairmount Utilities the 2nd, Inc.

(EXACT NAME OF UTILITY)

P.O. Box 488 Avon Park, FL 33826-0488 _____ Mailing Address	3625 Valerie Blvd. Sebring, FL 33870 _____ Street Address	Highlands _____ County
Telephone Number (863) 314-9402 _____	Date Utility First Organized 10-14-91 _____	
Fax Number _____	E-mail Address _____	
Sunshine State One-Call of Florida, Inc. Member No. _____		

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and phone where records are located: 3625 Valerie Blvd.

 Sebring, FL 33870

Name of subdivisions where services are provided: Fairmount Mobile Estates

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Roger E. Miller _____	President _____	P.O. Box 488 Avon Park, FL 33826-0488 _____	
Person who prepared this report: The NCT Group CPA's, L.L.P. _____	CPA _____	435 South Commerce Ave. Sebring, FL 33870 _____	
Officers and Managers: Roger E. Miller _____	President _____	Same _____	\$ 6,661
Karen J. Berry _____	Manager _____	Same _____	\$ 15,876
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
Roger E. Miller _____	30% _____	P.O. Box 488 Avon Park, FL 33826-0488 _____	\$ 6,661
Karen J. Berry _____	70% _____	P.O. Box 488 Avon Park, FL 33826-0488 _____	\$ 15,876
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	\$ 109,660	\$ _____	\$ 109,660
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue_____		\$ _____	\$ 109,660	\$ _____	\$ 109,660
Operation Expense (Must tie to pages W-3 and S-3)	W-3				
	S-3	\$ _____	\$ 94,689	\$ _____	\$ 94,689
Depreciation Expense_____	F-5	_____	6,774	_____	6,774
CIAC Amortization Expense_____	F-8	_____	(91)	_____	(91)
Taxes Other Than Income_____	F-7	_____	11,139	_____	11,139
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ _____	112,511	_____	\$ 112,511
Net Operating Income (Loss)		\$ _____	(2,851)	\$ _____	(2,851)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	(20,165)	_____	(20,165)
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ _____	(23,016)	\$ _____	(23,016)

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2003

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ 221,576	\$ 216,076
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>(168,331)</u>	<u>(161,557)</u>
Net Utility Plant _____		\$ 53,245	\$ 54,519
Cash _____		3,359	2,446
Customer Accounts Receivable (141) _____		11,893	11,134
Other Assets (Specify): _____			
Other Receivables _____			
Provision for Uncollectible Accounts _____		(1,331)	
Loan Cost _____		688	80
Total Assets _____		<u>\$ 67,854</u>	<u>\$ 68,179</u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	1,000	1,000
Preferred Stock Issued (204) _____	F-6		
Other Paid in Capital (211) _____		46,418	46,418
Retained Earnings (215) _____	F-6	(359,047)	(336,031)
Proprietary Capital (Proprietary and partnership only) (218) _____	F-6		
Total Capital _____		<u>\$ (311,629)</u>	<u>\$ (288,613)</u>
Long Term Debt (224) _____	F-6	\$ 48,739	\$ 42,005
Accounts Payable (231) _____		64,961	40,234
Notes Payable (232) _____			
Customer Deposits (235) _____			
Accrued Taxes (236) _____			
Other Liabilities (Specify) _____			
Accrued Taxes _____		1,293	1,036
Due to Shareholders _____		170,666	182,914
Accrued Salaries _____		93,031	89,719
Advances for Construction _____			
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>793</u>	<u>884</u>
Total Liabilities and Capital _____		<u>\$ 67,854</u>	<u>\$ 68,179</u>

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2003

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ _____	\$ 221,576	\$ _____	\$ 221,576
Construction Work in Progress (105)-----	_____	_____	_____	_____
Other (Specify) ----- _____ _____	_____	_____	_____	_____
Total Utility Plant-----	\$ _____	\$ 221,576	\$ _____	\$ 221,576

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year-----	\$ _____	\$ 161,557	\$ _____	\$ 161,557
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account-----	\$ _____	\$ 6,774	\$ _____	\$ 6,774
Salvage-----	_____	_____	_____	_____
Other Credits (specify)----- _____ _____	_____	_____	_____	_____
Total Credits-----	\$ _____	\$ 6,774	\$ _____	\$ 6,774
<u>Deduct Debits During Year:</u>				
Book cost of plant retired-----	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal-----	_____	_____	_____	_____
Other debits (specify)----- _____ _____	_____	_____	_____	_____
Total Debits-----	\$ _____	\$ 0	\$ _____	\$ 0
Balance End of Year-----	\$ _____	\$ 168,331	\$ _____	\$ 168,331

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT	
DECEMBER 31,	2003

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	_____
Shares authorized _____	1,000	_____
Shares issued and outstanding _____	1,000	_____
Total par value of stock issued _____	\$ 1,000	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (336,031)
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	(23,016)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (359,047)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify):		
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Note payable to Heartland National Bank	7.25%	60	\$ 48,739
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 48,739

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2003

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	_____	2,578	_____	2,578
Regulatory assessment fee _____	_____	4,751	_____	4,751
Other (Specify) _____	_____	_____	_____	_____
Florida Intangible _____	_____	178	_____	178
Florida Tangible _____	_____	379	_____	379
Licenses and other taxes _____	_____	263	_____	263
Payroll taxes _____	_____	2,990	_____	2,990
Total Taxes Accrued _____	\$ _____	\$ 11,139	\$ _____	\$ 11,139

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
H & H Sludge Disposal Inc.	\$ _____	\$ 1,715	Maintenance
Highlands Utility Co	\$ _____	\$ 3,630	Maintenance
Pugh Utility Services, Inc.	\$ _____	\$ 3,766	Maintenance
The NCT Group CPA's, L.L.P.	\$ _____	\$ 2,995	Accounting and consulting
Short Environmental Labs	\$ _____	\$ 1,831	Water testing
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ _____	\$ 2,463	\$ 2,463
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	\$ _____	2,463	2,463
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	2,463	2,463
6) Less Accumulated Amortization _____	_____	(1,670)	(1,670)
7) Net CIAC _____	\$ _____	\$ 793	\$ 793

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ _____	\$ (1,579)	\$ (1,579)
Add Credits During Year: _____	_____	(91)	(91)
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ _____	\$ (1,670)	\$ (1,670)

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

UTILITY NAME Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2003

N/A

SCHEDULE "A"

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

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

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

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: _____ % Commission Order Number approving AFUDC rate: _____
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WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-7 have been omitted from this report.

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT DECEMBER 31, 2003

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____				
353	Land and Land Rights_____	1,750			1,750
354	Structures and Improvements_____	29,563			29,563
355	Power Generation Equipment_____				
360	Collection Sewers - Force_____	1,478			1,478
361	Collection Sewers - Gravity_____	54,339			54,339
362	Special Collecting Structures_____	24,260			24,260
363	Services to Customers_____	20,251			20,251
364	Flow Measuring Devices_____				
365	Flow Measuring Installations_____				
370	Receiving Wells_____				
371	Pumping Equipment_____				
380	Treatment and Disposal Equipment_____	81,257	5,500		86,757
381	Plant Sewers_____				
382	Outfall Sewer Lines_____				
389	Other Plant and Miscellaneous Equipment_____				
390	Office Furniture and Equipment_____	3,178			3,178
391	Transportation Equipment_____				
392	Stores Equipment_____				
393	Tools, Shop and Garage Equipment_____				
394	Laboratory Equipment_____				
395	Power Operated Equipment_____				
396	Communication Equipment_____				
397	Miscellaneous Equipment_____				
398	Other Tangible Plant_____				
	Total Wastewater Plant_____	\$ 216,076	\$ 5,500	\$ 0	\$ 221,576 *

* This amount should tie to sheet F-5.

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	Various	%	Various %	\$ 25,856	\$	\$ 176	\$ 26,032
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force	27	%	3.70 %	1,429		49	1,478
361	Collection Sewers - Gravity	40	%	2.50 %	40,277		1,359	41,636
362	Special Collecting Structures	27	%	3.70 %	22,339		464	22,803
363	Services to Customers	35	%	2.86 %	16,542		579	17,121
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%				
371	Pumping Equipment		%	%				
380	Treatment and Disposal Equipment	Various	%	Various %	52,876		4,109	56,985
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%				
390	Office Furniture and Equipment	Various	%	Various %	2,238		38	2,276
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment		%	%				
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%				
	Totals				\$ 161,557	\$ 0	\$ 6,774	\$ 168,331 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 17,883
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	22,537
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	1,715
715	Purchased Power	5,589
716	Fuel for Power Production	
718	Chemicals	5,115
720	Materials and Supplies	
730	Contractual Services:	
	Billing	
	Professional	2,995
	Testing	1,831
	Other	6,596
740	Rents	2,782
750	Transportation Expense	1,410
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	1,331
775	Miscellaneous Expenses (Repairs & maintenance, office exp., & amort. loan exp.)	24,905
	Total Wastewater Operation And Maintenance Expense	\$ 94,689 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0			
General Service					
5/8"	D	1.0	425	425	425
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
Comm 5/8 x 3/4			2	2	2
Comm 1"			1	1	1
Total			428	428	428

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME:

Fairmount Utilities the 2nd, Inc.

YEAR OF REPORT
DECEMBER 31, 2003

PUMPING EQUIPMENT

Lift Station Number _____	Main St.	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____ Gorman Rupp 13a 25	_____	_____	_____	_____	_____	_____
Year installed _____	2002	_____	_____	_____	_____	_____
Rated capacity _____	200GPM	_____	_____	_____	_____	_____
Size _____	3"	_____	_____	_____	_____	_____
Power:	_____	_____	_____	_____	_____	_____
Electric _____	3HP	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	3HP	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	4"	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	VCP	_____	_____	_____	_____	_____
Average length _____	50'	_____	_____	_____	_____	_____
Number of active service connections _____	428	_____	_____	_____	_____	_____
Beginning of year _____	428	_____	_____	_____	_____	_____
Added during year _____	0	_____	_____	_____	_____	_____
Retired during year _____	0	_____	_____	_____	_____	_____
End of year _____	428	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	N/A	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains			
	8"	6"	4"	_____	_____	_____	_____
Size (inches) _____	8"	6"	4"	_____	_____	_____	_____
Type of main _____	_____	_____	PVC	_____	_____	_____	_____
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	610	3,200	1,200	_____	_____	_____	_____
Added during year _____	0	0	0	_____	_____	_____	_____
Retired during year _____	0	0	0	_____	_____	_____	_____
End of year _____	610	3,200	1,200	_____	_____	_____	_____

MANHOLES

Size (inches) _____	8"	_____	_____	_____
Type of Manhole _____	Brick	_____	_____	_____
Number of Manholes:	_____	_____	_____	_____
Beginning of year _____	46	_____	_____	_____
Added during year _____	0	_____	_____	_____
Retired during year _____	0	_____	_____	_____
End of Year _____	46	_____	_____	_____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.

SYSTEM NAME: Fairmount Mobile Estates

YEAR OF REPORT DECEMBER 31, 2003
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TREATMENT PLANT

Manufacturer _____ Type _____ "Steel" or "Concrete" _____ Total Permitted Capacity _____ Average Daily Flow _____ Method of Effluent Disposal _____ Permitted Capacity of Disposal _____ Total Gallons of Wastewater treated _____	Extended Air _____ Concrete _____ 40,000 GPD _____ 22,000 GPD _____ Evap. & Perk Pond _____ _____ 13,154,000 _____		
--	--	--	--

MASTER LIFT STATION PUMPS

Manufacturer _____ Capacity (GPM's) _____ Motor: Manufacturer _____ Horsepower _____ Power (Electric or Mechanical) _____	Gorman/ Rupp 200GPM _____ US Elec 3 HP _____ Electric _____					
---	--	--	--	--	--	--

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	1,147,000		1,147,000
February _____	924,000		924,000
March _____	992,000		992,000
April _____	840,000		840,000
May _____	806,000		806,000
June _____	990,000		990,000
July _____	1,333,000		1,333,000
August _____	1,426,000		1,426,000
September _____	1,350,000		1,350,000
October _____	1,271,000		1,271,000
November _____	990,000		990,000
December _____	1,085,000		1,085,000
Total for year _____	<u>13,154,000</u>		<u>13,154,000</u>

If Wastewater Treatment is purchased, indicate the vendor: _____ N/A _____

UTILITY NAME: Fairmount Utilities the 2nd, Inc.
SYSTEM NAME: Fairmount Mobile Estates

YEAR OF REPORT
DECEMBER 31, 2003

GENERAL WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs* now being served. 129 [(13,154,000 / 365) / 280 = 128.71]
2. Maximum number of ERCs* which can be served. 143 (40,000 / 280 = 143)
3. Present system connection capacity (in ERCs*) using existing lines. 129
4. Future connection capacity (in ERCs*) upon service area buildout. No additional service.
5. Estimated annual increase in ERCs*. None
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
None
7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? NO
If so, when? N/A
9. Has the utility been required by the DEP or water management district to implement reuse? NO
If so, what are the utility's plans to comply with this requirement? N/A
10. When did the company last file a capacity analysis report with the DEP? _____
11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
 - b. Have these plans been approved by DEP? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading. N/A
 - e. Is this system under any Consent Order with DEP? N/A
12. Department of Environmental Protection ID # D028187065

- * An ERC is determined based on one of the following methods:
- (a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
 - (b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--|----|--|
| YES
<input checked="" type="checkbox"/> X <input type="checkbox"/> NO | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> X <input type="checkbox"/> NO | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> X <input type="checkbox"/> NO | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> X <input type="checkbox"/> NO | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

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

Roger E. Miller *

(signature of chief executive officer of the utility)
Roger E. Miller, President

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

Roger E. Miller *

(signature of chief financial officer of the utility)

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

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