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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WU383-02-AR
Neighborhood Utilities, Inc.
200 North Laura Street - 10th Floor
Jacksonville, FL 32202-3517

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

NEIGHBORHOOD UTILITIES, INC.
(EXACT NAME OF UTILITY)

200 N Laura St. 10th Floor Jacksonville, FL 32202 Mailing Address		200 N. Laura St. 10th Floor Jacksonville, FL 32202 Duval Street Address County	
Telephone Number	904/350-9824	Date Utility First Organized	9/28/1984
Fax Number	904/356-1520	E-mail Address	N/A
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: Neighborhood Utilities, Inc., 200 N. Laura St. 10th Floor, Jacksonville, FL 32202

Name of subdivisions where services are provided: Victoria Forest Unit I & II; Timber Creek Unit I; Clayton Communities Estate 572

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: W. Larry O'Steen	President	200 N. Laura St 10th FL Jacksonville, FL 32202	
Person who prepared this report: W. Larry O'Steen	President	200 N. Laura St 10th FL Jacksonville, FL 32202	
Officers and Managers: W. Larry O'Steen	President	200 N. Laura St 10th FL Jacksonville, FL 32202	\$
Dorothy O'Steen	Vice President		\$
			\$
			\$
			\$

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
W. Larry O'Steen	100%	200 N. Laura St 10th FL Jacksonville FL 32202	\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2002

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 59,425	\$ _____	\$ _____	\$ 59,425
Commercial _____		1,665	_____	_____	1,665
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		_____	_____	_____	_____
Total Gross Revenue _____		\$ 61,090	\$ _____	\$ _____	\$ 61,090
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 64,090	\$ _____	\$ _____	\$ 64,090
Depreciation Expense _____	F-5	15,396	_____	_____	15,396
CIAC Amortization Expense _____	F-8	(23,420)	_____	_____	(23,420)
Taxes Other Than Income _____	F-7	12,927	_____	_____	12,927
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense _____		\$ 68,993	\$ _____	\$ _____	\$ 68,993
Net Operating Income (Loss) _____		\$ (7,903)	\$ _____	\$ _____	\$ (7,903)
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		5,650	_____	_____	5,650
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss) _____		\$ (13,553)	\$ _____	\$ _____	\$ (13,553)

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2002

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 485,745	\$ _____	\$ _____	\$ 485,745
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 485,745	\$ _____	\$ _____	\$ 485,745

ACCUMULATED DEPRECIATION (AD) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 271,719	\$ _____	\$ _____	\$ 271,719
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 18,467	\$ _____	\$ _____	\$ 18,467
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
<u>Total Credits</u> _____	\$ 290,186	\$ _____	\$ _____	\$ 289,186
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Adjustment _____	3,071	_____	_____	_____
<u>Total Debits</u> _____	\$ 3,071	\$ _____	\$ _____	\$ 3,071
Balance End of Year _____	\$ 287,115	\$ _____	\$ _____	\$ 287,115

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1,000	_____
Shares authorized _____	1,000	_____
Shares issued and outstanding _____	200	_____
Total par value of stock issued _____	200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (321,758)
Changes during the year (Specify):		
Net Income Loss _____		(13,555)
_____		_____
_____		_____
Balance end of year _____	\$ _____	\$ (335,311)

PROPRIETARY CAPITAL (218)

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

Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____			\$ _____
_____			_____
_____			_____
Total _____			\$ _____

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax	_____	_____	_____	_____
Local property tax	9,390	_____	_____	9,390
Regulatory assessment fee	2,749	_____	_____	2,749
Other (Specify) <u>Occupational License Fee</u>	788	_____	_____	788
Total Tax Expense	\$ 12,927	\$ _____	\$ _____	\$ 12,927

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar 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
Judith W. Stone	\$ 7,452	\$ _____	Office Mgmt/Billing
Pumping Solutions, Inc.	\$ 17,074	\$ _____	Plant Operation
W. Larry O'Steen	\$ 3,960	\$ _____	Generator Lease
W. Larry O'Steen	\$ 15,000	\$ _____	Management Fee
Frederick R. Brock, Esq.	\$ 756	\$ _____	Legal Fees
C.R. Wintz, CPA	\$ 795	\$ _____	Accounting Fees
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 580,910	\$ _____	\$ 580,910
2) Add credits during year _____			
3) Total _____	\$ 4,590	\$ _____	\$ 4,590
4) Deduct charges during the year _____	585,500		585,500
5) Balance end of year _____	585,500		585,500
6) Less Accumulated Amortization _____	289,232		289,232
7) Net CIAC _____	\$ 296,268	\$ _____	\$ 296,268

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	
Capacity Charges	9	\$ 420	\$ 3,780
Meter Charges	9	90	810

Total Credits During Year (Must agree with line # 2 above.) _____			\$ 3,780

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 265,812	\$ _____	\$ 265,812
Add Debits During Year: _____	23,420		23,420
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.) _____	\$ 289,232	\$ _____	\$ 289,232

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

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

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	\$ <u> N/A </u>	<u> </u> %	<u> </u> %	<u> </u> %
Preferred Stock	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Long Term Debt	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Customer Deposits	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Tax Credits - Zero Cost	<u> </u>	<u> </u> %	0.00 %	<u> </u> %
Tax Credits - Weighted Cost	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Deferred Income Taxes	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Other (Explain)	<u> </u>	<u> </u> %	<u> </u> %	<u> </u> %
Total	\$ <u> </u>	<u> 100.00 </u> %		<u> </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: <u> </u> %
Commission Order Number approving AFUDC rate: <u> </u>

**WATER
OPERATING
SECTION**

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$	\$	\$	\$
302	Franchises	243			243
303	Land and Land Rights	1,000			1,000
304	Structures and Improvements	6,922			6,922
305	Collecting and Impounding Reservoirs	96,940			96,940
306	Lake, River and Other Intakes				
307	Wells and Springs	37,693			37,693
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	54,498			54,498
320	Water Treatment Equipment	23,225			23,225
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Lines	183,199			183,199
333	Services	14,312			14,312
334	Meters and Meter Installations	26,596	733		27,329
335	Hydrants	26,463			26,463
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment	13,921			13,921
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 485,012	\$ 733	\$	\$ 485,745

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f+g+h=i) (i)
304	Structures and Improvements	28	%	3.54 %	\$ 4,755	\$	\$ 247	\$ 5,002
305	Collecting and Impounding Reservoirs	28	%	3.57 %	55,458		3,461	58,919
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	4.70 %	24,461		1,771	26,232
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	15	%	6.67 %	50,703		3,635	54,338
320	Water Treatment Equipment	17	%	5.88 %	26,296	3,071		23,225
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	38	%	2.63 %	68,500		4,818	73,318
333	Services	28	%	2.63 %	6,652		376	7,028
334	Meter & Meter Installations	17	%	5.88 %	12,807		1,564	14,371
335	Hydrants	40	%	2.50 %	8,413		1,662	10,075
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment	15	%	6.70 %	13,674		933	14,607
340	Office Furniture and Equipment		%					
341	Transportation Equipment		%					
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%					
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Totals				\$ 271,719	\$ 3,071	\$ 18,467	\$ 287,115 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	15,000
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	3,458
616	Fuel for Power Production	
618	Chemicals	782
620	Materials and Supplies	876
630	Contractual Services:	
	Billing	8,459
	Professional	2,842
	Testing	928
	Other	14,377
640	Rents	9,039
650	Transportation Expense	
655	Insurance Expense	4,706
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	711
675	Miscellaneous Expenses	3,032
	Total Water Operation And Maintenance Expense	\$ 64,090 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	311	320	320
3/4"	D	1.5	1	1	2.5
1"	D	2.5	2	2	10
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total		
			314	323	332.5

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January _____	_____	1.862	_____	1.862	_____
February _____	_____	1.711	_____	1.711	_____
March _____	_____	2.189	_____	2.189	5.213
April _____	_____	2.500	_____	2.500	_____
May _____	_____	3.339	_____	3.339	_____
June _____	_____	2.203	_____	2.203	7.979
July _____	_____	2.136	_____	2.126	_____
August _____	_____	1.997	_____	1.997	_____
September _____	_____	1.911	_____	1.911	5.663
October _____	_____	1.991	_____	1.991	_____
November _____	_____	1.886	_____	1.886	_____
December _____	_____	2.093	_____	2.093	5.034
Total for Year _____	_____	<u>25.808</u>	_____	<u>25,808</u>	<u>23,889</u>

If water is purchased for resale, indicate the following:

Vendor _____
 Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC _____	10"	280'	_____	_____	280'
PVC _____	8"	11,450'	_____	_____	11,450'
PVC _____	6"	1,300'	_____	_____	1,300'
PVC _____	4"	1,460'	_____	_____	1,460'
PVC _____	2"	2,910'	_____	_____	2,910'
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1982	1986	_____	_____
Types of Well Construction and Casing _____	Drilled/Casings	Blk Steel	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	600'	1,000'	_____	_____
Diameters of Wells _____	4 x 3	12 x 8	_____	_____
Pump - GPM _____	90	350	_____	_____
Motor - HP _____	5	10	_____	_____
Motor Type * _____	Submersible	Submersible	_____	_____
Yields of Wells in GPD _____	140,000	540,000	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	Pneumatic	Steel	Steel	_____
Capacity of Tank _____	2,000 gals	20,000 gals	40,000 gals	_____
Ground or Elevated _____	Ground	Ground	Ground	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	Marathon	Peerless	Peerless	_____
Type _____	3-Phase	3-Phase	3-Phase	_____
Rated Horsepower _____	10 hp	15 hp	20 hp	_____
Pumps				
Manufacturer _____	Marathon	Peerless	Peerless	_____
Type _____	Series C	Series C	Series C	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	60KW Gen	60KW Gen	60KW Gen	_____

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2002

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	140,000 _____	540,000 _____	_____
Type of Source _____	Well#1 _____	Well#2 _____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	Steel Ground Storage w/Aerator	Steel Ground Storage w/Aerator	_____
Make _____	Custom Built	Custom Built	_____
Permitted Capacity (GPD) _____	130,000	240,000	_____
High service pumping _____	Flow Meter	Flow Meter	_____
Gallons per minute _____	100	500	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment _____	_____	_____	_____
Unit Rating _____	_____	_____	_____
Filtration _____	_____	_____	_____
Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection _____	_____	_____	_____
Chlorinator _____	Yes	Yes	_____
Ozone _____	No	No	_____
Other _____	No	No	_____
Auxiliary Power _____	60KW Diesel Gen	60KW Diesel Gen	_____

UTILITY NAME: NEIGHBORHOOD UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2002

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 686
2. Maximum number of ERCs * which can be served. 1,057
3. Present system connection capacity (in ERCs *) using existing lines. 686
4. Future connection capacity (in ERCs *) upon service area buildout. 371
5. Estimated annual increase in ERCs *. 70
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 GPM
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
Increase hydro tank capacity and standby supply capacity in 2003/2004.
9. When did the company last file a capacity analysis report with the DEP? N/A
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # _____
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

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

CERTIFICATION OF ANNUAL REPORT

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

YES 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 NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO

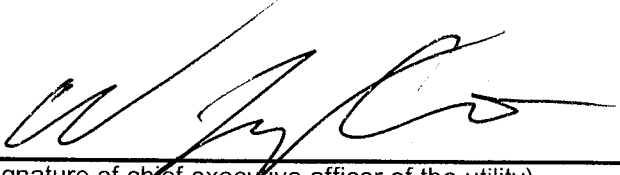
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the 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.

 *
(signature of chief executive officer of the utility)

Date: 4-30-03

1. 2. 3. 4.

 *
(signature of chief financial officer of the utility)

Date: 4-30-03

* 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.