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CLASS "A" OF
WATER AND SEWER
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WATER AND WASTE WATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WU193-02-AR
Placid Lakes Utilities, Inc.
~~2000~~ 2002 Jefferson Avenue, North
Lake Placid, FL 33852-9749

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2002

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FLORIDA PUBLIC SERVICE
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ECONOMIC REGULATION

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EXECUTIVE SUMMARY

UTILITY NAME: Placid Lakes Utilities, Inc.

CERTIFICATION OF ANNUAL REPORT

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the 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"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Roland Tobler

(Signature of Chief Executive ROLAND TOBLER, PRESIDENT)

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

Peggy Ann Brewer

(Signature of Chief Financial (PEGGY ANN BREWER, SECRETARY/TREASURER)

* 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.

Revised 4/22/03

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2002

Placid Lakes Utilities, Inc.
(Exact Name of Utility)

County: Highlands

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

2002 Jefferson Avenue N
Lake Placid, FL 33852

Telephone: 863-465-0345

E Mail Address: PLCOMM@HTN.NET

WEB Site: _____

Sunshine State One-Call of Florida, Inc. Member Number PL1020

Name and address of person to whom correspondence concerning this report should be addressed:

Peggy Ann Brewer
2002 Jefferson Avenue N
Lake Placid, FL 33852

Telephone: 863-465-0345

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

2002 Jefferson Avenue N
Lake Placid, FL 33852

Telephone: 863-465-0345

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

Date of original organization of the utility: June 11, 1970

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

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<u>Lake Placid Holding Company</u>	<u>100%</u>
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

Placid Lakes Utilities, Inc. has served the subdivision of Placid Lakes since 1970. The utility has approximately 1,568 connections out of the 8,500 possible connections. The utility had 47 new service connections in 2002. This is above the normal thirty per year average. The utility has consistently provided quality water and service to the community and enjoys a strong approval rating with our customers. The utility publishes an article in the homeowners newsletter to keep customers up-to-date on the issues concerning their water department as well as any new regulations from governmental agencies. Utility representatives attend homeowners meetings to answer questions as well as provide information on projects or give demonstrations on items of interest to the customers. The utility is in the process of replacing an old generator, looping a water transmission line for pressure, and replacing meters over fifteen years old. Our customers will benefit from these improvements and supported the utility in the limited proceeding. Growth in this area is slow and we expect this slow growth to continue in the foreseeable future. Our goal continues to be quality water and quality service to our customers. The water plant is fenced and lighted but we are looking at ways to increase security for the safety of our customers. The utility will be doing a vulnerability assessment and up-date the emergency response plan. Placid Lakes Utilities received an award from the DEP for small community WTP. The utility consistently meets the standards of the industry as well as providing service that goes the extra mile.

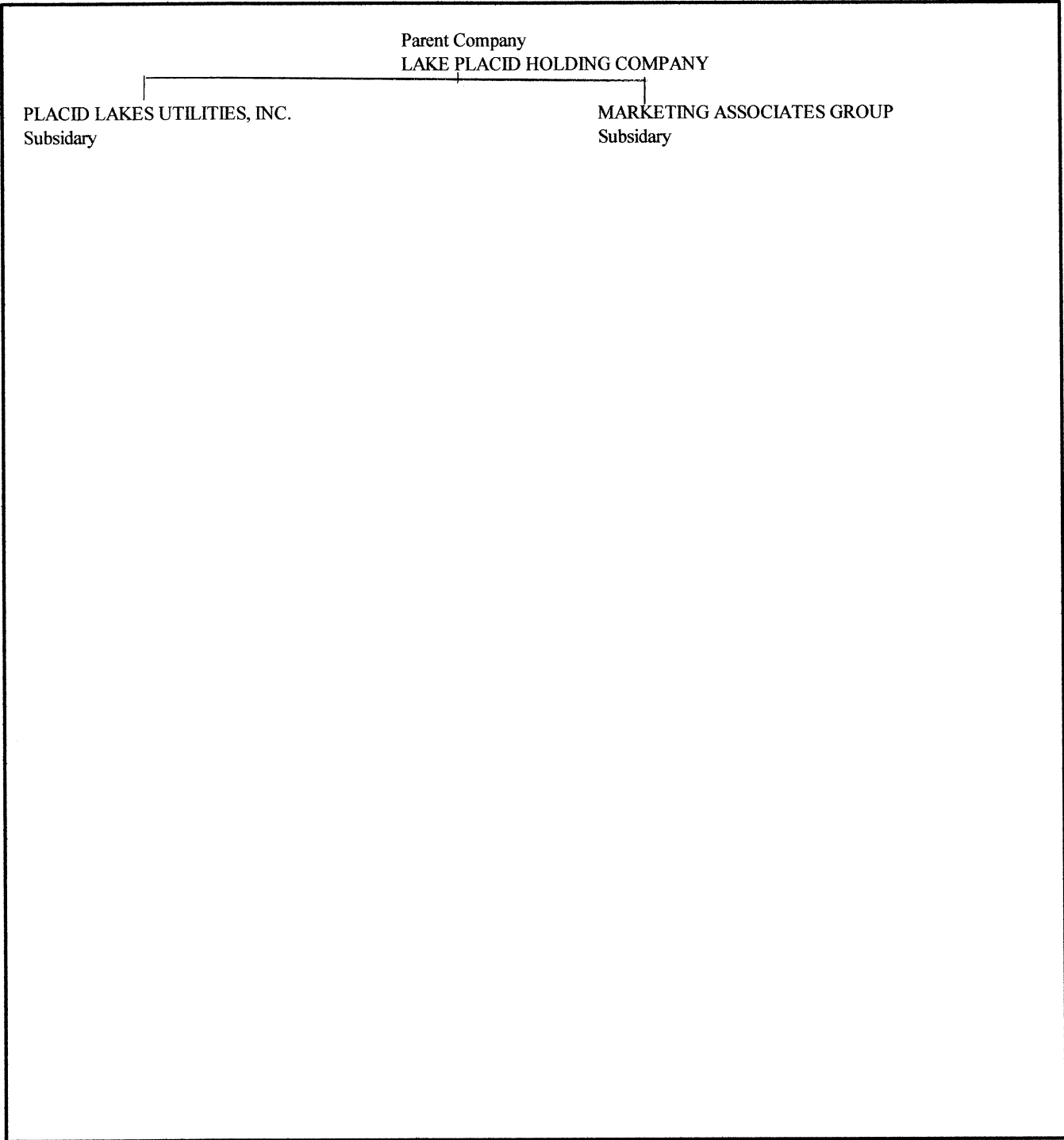
UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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PARENT / AFFILIATE ORGANIZATION CHART

rent as of _____ December 31, 2002

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



UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
ROLAND TOBLER	PRESIDENT	33%	\$ 10,000.00
SCOTT HUTCHINS	VICE PRESIDENT	33%	10,000.00
PEGGY ANN BREWER	SECRETARY/ TREASURER	33%	10,000

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
ROLAND TOBLER	DIRECTOR	12	\$ 0
SCOTT HUTCHINS	DIRECCTOR	12	0
PEGGY ANN BREWER	DIRECTOR	12	0

FINANCIAL SECTION

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 1,931,445	\$ 1,950,193
108-110	Less: Accumulated Depreciation and Amortization	F-8	687,053	732,722
Net Plant			\$ 1,244,392	\$ 1,217,471
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 1,244,392	\$ 1,217,471
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 55,553	\$ 55,553
122	Less: Accumulated Depreciation and Amortization		(29,997)	(32,219)
Net Nonutility Property			\$ 25,556	\$ 23,334
123	Investment In Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$ 25,556	\$ 23,334
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 20,095	\$ 28,949
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	48,510	45,011
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		296,500
151-153	Material and Supplies		33,194	38,422
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	4,609	5,868
Total Current and Accrued Assets			\$ 106,408	\$ 414,750

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Misc. Deferred Debits	F-14	103,828	107,356
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		_____	_____
	Total Deferred Debits		\$ 103,828	\$ 107,356
	TOTAL ASSETS AND OTHER DEBITS		\$ 1,480,184	\$ 1,762,911

* Not Applicable for Class B Utilities

<p><u>NOTES TO THE BALANCE SHEET</u></p> <p>The space below is provided for important notes regarding the balance sheet.</p>

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 500	\$ 500
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		500	1,342,285
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(1,276,497)	(1,397,187)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (1,275,497)	\$ (54,402)
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	1,853,007	1,044,018
224	Other Long Term Debt	F-17		
Total Long Term Debt			\$ 1,853,007	\$ 1,044,018
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		2,379	7,106
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		8,300	8,625
236	Accrued Taxes	W/S-3	6,388	6,186
237	Accrued Interest	F-19	281,362	130,414
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 298,429	\$ 152,331

* Not Applicable for Class B Utilities

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ _____	\$ _____
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 1,071,946	\$ 1,123,351
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(467,701)	(502,387)
Total Net C.I.A.C.			\$ 604,245	\$ 620,964
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____	\$ _____
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,480,184	\$ 1,762,911

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 416,894	\$ 427,700
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	10,226	17,431
Net Operating Revenues			\$ 406,668	\$ 410,269
401	Operating Expenses	F-3(b)	\$ 310,144	\$ 322,591
403	Depreciation Expense:	F-3(b)	\$ 57,486	\$ 61,353
	Less: Amortization of CIAC	F-22	31,751	34,686
Net Depreciation Expense			\$ 25,735	\$ 26,667
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	46,000	52,820
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 381,876	\$ 402,078
Net Utility Operating Income			\$ 24,792	\$ 8,191
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	10,226	17,431
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 35,018	\$ 25,622

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 427,700 (17,431)	\$ _____	\$ _____
\$ 410,269	\$ _____	\$ _____
\$ 322,591	\$ _____	\$ _____
61,353 34,686	_____	_____
\$ 26,667 26,667	\$ _____	\$ _____
52,820	_____	_____
_____	_____	_____
_____	_____	_____
\$ 402,078	\$ _____	\$ _____
\$ 8,191	\$ _____	\$ _____
17,431	_____	_____
_____	_____	_____
\$ 25,622	\$ _____	\$ _____

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 35,018	\$ 25,622
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		_____	_____
421	Nonutility Income		9,051	8,758
426	Miscellaneous Nonutility Expenses		(11,438)	(18,637)
Total Other Income and Deductions			\$ (2,387)	\$ (9,879)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$ _____	\$ _____
409.20	Income Taxes		_____	_____
410.20	Provision for Deferred Income Taxes		_____	_____
411.20	Provision for Deferred Income Taxes - Credit		_____	_____
412.20	Investment Tax Credits - Net		_____	_____
412.30	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ _____	\$ _____
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 132,592	\$ 136,433
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ 132,592	\$ 136,433
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____	\$ _____
NET INCOME			\$ (99,961)	\$ (120,691)

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 1,950,193	\$ _____
	Less:			
	Nonused and Useful Plant (1)		166,533	_____
108	Accumulated Depreciation	F-8	732,722	_____
110	Accumulated Amortization	F-8		_____
271	Contributions In Aid of Construction	F-22	1,123,351	_____
252	Advances for Construction	F-20		_____
Subtotal			\$ (72,413)	\$ _____
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	502,387	_____
Subtotal			\$ 429,974	\$ _____
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		_____
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		_____
	Working Capital Allowance (3)		40,324	_____
	Other (Specify): _____ _____ _____			_____ _____ _____
RATE BASE			\$ 470,298	\$ _____
NET UTILITY OPERATING INCOME			\$ 8,191	\$ _____
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			1.74%	_____

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ (31,069)	0.00%		
Preferred Stock				
Long Term Debt	1,009,906	100.00%	0	10.50%
Customer Deposits				
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$ <u>978,837</u>	<u>100.00%</u>		<u>10.50%</u>

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

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

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

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

APPROVED RETURN ON EQUITY

Return on Equity:	<u>10.50%</u>
Return on Equity:	<u>PSC-01-0327-PAA-WU</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

AFUDC rate:	<u>10.50%</u>
AFUDC rate:	_____

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

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 1,950,193	\$ _____	\$ _____	\$ 1,950,193
102	Utility Plant Leased to Other	_____	_____	_____	_____
103	Property Held for Future Use	_____	_____	_____	_____
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	_____	_____	_____	_____
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ 1,950,193	\$ _____	\$ _____	\$ 1,950,193

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 687,053	\$	\$	\$ 687,053
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 61,353	\$	\$	\$ 61,353
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$ 61,353	\$	\$	\$ 61,353
Debits during year:				
Book cost of plant retired	(15,684)			(15,684)
Cost of Removal				
Other Debits (specify):				
Total Debits	\$ (15,684)	\$	\$	\$ (15,684)
Balance end of year	\$ <u>732,722</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>732,722</u>
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$	\$	\$	\$
Other Accounts (specify):				
Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
PSC-01-0327-PAA-WU 25% PER ORDER	\$ 0	666	\$ 21,098
PSC-0011621-WU	31546		
Total	\$ 31,546	666	\$ 21,098

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
WASTEWATER TREATMENT PLANT	\$ 55,553	\$	\$	\$ 55,553
Total Nonutility Property	\$ 55,553	\$	\$	\$ 55,553

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132):	\$
Total Special Deposits	\$
OTHER SPECIAL DEPOSITS (Account 133):	\$
Total Other Special Deposits	\$

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Investment in Associated Companies		\$ <u> </u>
UTILITY INVESTMENTS (Account 124): <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Utility Investment		\$ <u> </u>
OTHER INVESTMENTS (Account 125): <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Other Investment		\$ <u> </u>
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Special Funds		\$ <u> </u>

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
 Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 45,011	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 45,011
OTHER ACCOUNTS RECEIVABLE (Account 142):		
_____	\$ _____	

Total Other Accounts Receivable		\$ _____
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	

Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ 45,011
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ _____	
Add: Provision for uncollectibles for current year	\$ _____	
Collection of accounts previously written off		
Utility Accounts		
Others		

Total Additions	\$ _____	
Deduct accounts written off during year:		
Utility Accounts		
Others		

Total accounts written off	\$ _____	
Balance end of year		\$ _____
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 45,011

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

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

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ _____ _____ _____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
PSC-01-0327-PAA-WU	\$ 21,098	\$ 42,197
PSC0011621-WU		44,400
Total Deferred Rate Case Expense	\$ 21,098	\$ 86,597
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
NON-RECURRING ACCOUNTING COSTS		\$ 20,759
Total Other Deferred Debits		\$ 20,759
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
Total Regulatory Assets		
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 21,098	\$ 107,356

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	\$1.00 %\$	
Shares authorized	500	
Shares issued and outstanding	500	
Total par value of stock issued	%\$	500
Dividends declared per share for year	%\$	
PREFERRED STOCK		
Par or stated value per share	%\$	
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%\$	
Dividends declared per share for year	%\$	

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

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

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (1,276,497)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ _____
	Debits: _____	\$ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (120,691)
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ (120,691)
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (1,397,188)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____	_____ _____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (1,397,188)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ _____
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ _____

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ _____

UTILITY NAME: **Placid Lakes Utilities, Inc.**

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)
		ACCT. DEBIT (c)	AMOUNT (d)	
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt				
Lake Placid Holding Co-Plant Expansion Loan	\$ 143,472	427 \$	63,264	\$ 206,736
Lake Placid Holding Co-Line Extension Loan	26,525	427	20,767	47,292
Lake Placid Holding Co-Catfish Creek Loan	6,499	427	2,091	1,379
Lake Placid Holding Co-Operating Loan	89,072	427	50,210	33,697
Lake Placid Holding Co-Wastewater Loan	15,794	427	5,355	3,531
Total Account 237.1	\$ 281,362		\$ 141,687	\$ 292,635
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities				
Customer Deposits	\$ 0	427 \$	102	\$ 102
Total Account 237.2	\$		\$ 102	\$
Total Account 237 (1)	\$ 281,362		\$ 141,789	\$
INTEREST EXPENSED:				
Total accrual Account 237		237 \$	141,789	(1) Must agree to F-2 (a) Ending Balance of /
Less Capitalized Interest Portion of AFUDC:				(2) Must agree to F-3 (c) Year Interest Expens
Net Interest Expensed to Account No. 427 (2)			\$ 141,789	

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 1,071,946	\$ _____	\$ _____	\$ 1,071,946
Add credits during year:	\$ 51,405	\$ _____	\$ _____	\$ 51,405
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ 1,123,351	\$ _____	\$ _____	\$ 1,123,351

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 467,701	\$ _____	\$ _____	\$ 467,701
Debits during the year:	\$ 34,686	\$ _____	\$ _____	\$ 34,686
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 502,387	\$ _____	\$ _____	\$ 502,387

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

- 1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- 2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (120,691)
Reconciling items for the year:		
Taxable income not reported on books:		
CIAC Collections over amortization		16,720
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
Tax Depreciation over books		(3,639)
_____		_____
_____		_____
_____		_____
Federal tax net income		\$ (107,610)

Computation of tax :
 PLU files a consolidated tax return with its parent, Lake Placid Holding Co(59-6064150)
 PLU separate company tax liability = 0

**WATER
OPERATION
SECTION**

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

SYSTEM NAME / COUNTY : HIGHLANDS

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 1,950,193
	Less:		
	Nonused and Useful Plant (1)		166,533
108	Accumulated Depreciation	W-6(b)	732,722
110	Accumulated Amortization		
271	Contributions In Aid of Construction	W-7	1,123,351
252	Advances for Construction	F-20	
Subtotal			\$ (72,413)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 502,387
Subtotal			\$ 429,974
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		40,324
	Other (Specify):		
WATER RATE BASE			\$ 470,298
WATER OPERATING INCOME		W-3	\$ 8,191
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			1.74%

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : HIGHLANDS

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	W-9	\$ 427,700
469	Less: Guaranteed Revenue and AFPI	W-9	17,431
Net Operating Revenues			\$ 410,269
401	Operating Expenses	W-10(a)	\$ 322,591
403	Depreciation Expense	W-6(a)	61,353
	Less: Amortization of CIAC	W-8(a)	34,686
Net Depreciation Expense			\$ 26,667
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		18,760
408.11	Property Taxes		20,891
408.12	Payroll Taxes		12,821
408.13	Other Taxes and Licenses		348
408	Total Taxes Other Than Income		\$ 52,820
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 402,078
Utility Operating Income			\$ 8,191
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 17,431
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 25,622

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Placid Lakes Utilities, Inc.

SYSTEM NAME / COUNTY : Highlands

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$	\$	\$	\$
302	Franchises				
303	Land and Land Rights	1,000			1,000
304	Structures and Improvements	60,995			60,995
305	Collecting and Impounding Reservoirs	32,429			32,429
306	Lake, River and Other Intakes				
307	Wells and Springs	102,092			102,092
308	Infiltration Galleries and Tunnels				
309	Supply Mains	48,851			48,851
310	Power Generation Equipment	16,326			16,326
311	Pumping Equipment	126,189			126,189
320	Water Treatment Equipment	19,760			19,760
330	Distribution Reservoirs and Standpipes	259,304			259,304
331	Transmission and Distribution Mains	910,335	11,318		921,653
333	Services	66,415	8,038		74,453
334	Meters and Meter Installations	177,759	11,997	(7,497)	182,259
335	Hydrants	28,985			28,985
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	29,216		(6,723)	22,493
341	Transportation Equipment	22,313			22,313
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	5,330			5,330
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	2,882	3,079	(1,464)	4,497
347	Miscellaneous Equipment	21,264			21,264
348	Other Tangible Plant				
	TOTAL WATER PLANT	\$ 193,1445	\$ 34432	\$ -15684	\$ 1950193

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

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Placid Lakes Utilities, Inc.

SYSTEM NAME / COUNTY : Highlands

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization						
302	Franchises						
303	Land and Land Rights	1,000			1,000		
304	Structures and Improvements	60,995			60,995		
305	Collecting and Impounding Reservoirs	32,429		32,429			
306	Lake, River and Other Intakes						
307	Wells and Springs	102,092		102,092			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	48,851		48,851			
310	Power Generation Equipment	16,326		16,326			
311	Pumping Equipment	126,189		126,189			
320	Water Treatment Equipment	19,760			19,760		
330	Distribution Reservoirs and Standpipes	259,304				259,304	
331	Transmission and Distribution Mains	921,653				921,653	
333	Services	74,453				74,453	
334	Meters and Meter Installations	182,259				182,259	
335	Hydrants	28,985				28,985	
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment						
340	Office Furniture and Equipment	22,493					22,493
341	Transportation Equipment	22,313					22,313
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	5,330					5,330
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment	4,497					4,497
347	Miscellaneous Equipment	21,264					21,264
348	Other Tangible Plant						
	TOTAL WATER PLANT	1950193		325887	81755	1466654	75897

W-4(b)
GROUP _____

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
--

SYSTEM NAME / COUNTY : Highlands

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs	50		2.00%
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	40		2.50%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	15		6.67%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment	15		6.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	16		6.25%
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	10		10.00%
347	Miscellaneous Equipment	15		6.67%
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Placid Lakes Utilities, Inc.

SYSTEM NAME / COUNTY : Highlands

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 33,747	\$ 1,848	\$	\$ 1,848
305	Collecting and Impounding Reservoirs	19,438	649		649
306	Lake, River and Other Intakes				
307	Wells and Springs	33,802	3,403		3,403
308	Infiltration Galleries and Tunnels				
309	Supply Mains	6,283	1,396		1,396
310	Power Generation Equipment	12,803	816		816
311	Pumping Equipment	18,282	6,309		6,309
320	Water Treatment Equipment	13,064	898		898
330	Distribution Reservoirs and Standpipes	31,061	6,483		6,483
331	Transmission and Distribution Mains	357,418	21,302		21,302
333	Services	24,305	1,761		1,761
334	Meters and Meter Installations	83,192	12,001		12,001
335	Hydrants	6,374	644		644
336	Backflow Prevention Devices				
339	Other Plant Miscellaneous Equipment				
340	Office Furniture and Equipment	8,078	1,724		1,724
341	Transportation Equipment	22,313	0		0
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	2,643	333		333
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment	3,051	369		369
347	Miscellaneous Equipment	11,198	1,418		1,418
348	Other Tangible Plant				
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 687,052	\$ 61,354	\$	\$ 61,354

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

W-6(a)
GROUP _____

YEAR OF REPORT
December 31, 2002

UTILITY NAME: Placid Lakes Utilities, Inc.

SYSTEM NAME / COUNTY: Highlands

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

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (l)
304	Structures and Improvements	\$	\$	\$	\$	\$ 35,595
305	Collecting and Impounding Reservoirs					20,087
306	Lake, River and Other Intakes					
307	Wells and Springs					37,205
308	Infiltration Galleries and Tunnels					
309	Supply Mains					7,679
310	Power Generation Equipment					13,619
311	Pumping Equipment					24,591
320	Water Treatment Equipment					13,962
330	Distribution Reservoirs and Standpipes					37,544
331	Transmission and Distribution Mains					378,720
333	Services					26,066
334	Meters and Meter Installations	(7,497)			(7,497)	87,696
335	Hydrants					7,018
336	Backflow Prevention Devices					
339	Other Plant Miscellaneous Equipment					
340	Office Furniture and Equipment	(6,723)			(6,723)	3,079
341	Transportation Equipment					22,313
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					2,976
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment	(1,464)			(1,464)	1,956
347	Miscellaneous Equipment					12,616
348	Other Tangible Plant					
TOTAL WATER ACCUMULATED DEPRECIATION		\$ (15,684)	\$	\$	\$ (15,684)	\$ 732,722

W-6(b)
GROUP _____

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY : HIGHLANDS

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
	Metered Water Revenue:			
461.1	Sales to Residential Customers	1,474	1,520	392,802
461.2	Sales to Commercial Customers	28	28	14,440
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities	1	1	182
461.5	Sales Multiple Family Dwellings			
	Total Metered Sales	1,503	1,549	\$ 407,424
	Fire Protection Revenue:			
462.1	Public Fire Protection	1	1	175
462.2	Private Fire Protection			
	Total Fire Protection Revenue		1	\$ 175
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,503	1,550	\$ 407,599
	Other Water Revenues:			
469	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 17,431
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			2,670
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 20,101
	Total Water Operating Revenues			\$ 427,700

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

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : HIGHLANDS

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 125,265	\$ 18,298	\$ 9,999
603	Salaries and Wages - Officers, Directors and Majority Stockholders	30,000		
604	Employee Pensions and Benefits	25,884		
610	Purchased Water			
615	Purchased Power	9,148		
616	Fuel for Power Purchased			
618	Chemicals	11,264		
620	Materials and Supplies	12,347	755	4,909
631	Contractual Services-Engineering			
632	Contractual Services - Accounting	6,919		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees	28,883		
635	Contractual Services - Testing	1,430	1,430	
636	Contractual Services - Other	4,664		2,200
641	Rental of Building/Real Property	10,731	3,587	
642	Rental of Equipment			
650	Transportation Expenses	1,331		
656	Insurance - Vehicle	1,931		
657	Insurance - General Liability	4,992		
658	Insurance - Workman's Comp.	7,260		
659	Insurance - Other			
660	Advertising Expense	352		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	21,098		
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense			
675	Miscellaneous Expenses	19,092	1,106	
Total Water Utility Expenses		\$ 322,591	\$ 25,176	\$ 17,108

UTILITY NAME:

Placid Lakes Utilities, Inc.

YEAR OF REPORT December 31, 2002
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SYSTEM NAME / COUNTY :

HIGHLANDS

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ 4,198	\$ 1,418	\$ 10,604	\$ 5,339	\$ 49,014	\$ 26,395
					30,000
12,889				12,851	144
8,159				988	
11,264					
1,846	47	526	2,783	894	587
					6,919
				14,434	14,449
			419	2,046	
3,587				3,558	
				1,331	
				1,931	
1,815				5,445	4,992
					352
					21,098
			1,875	13,463	2,647
\$ 43,758	\$ 1,465	\$ 11,130	\$ 10,416	\$ 105,955	\$ 107,583

UTILITY NAME:

Placid Lakes Utilities, Inc.

YEAR OF REPORT

December 31, 2002

SYSTEM NAME / COUNTY :

Highlands

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		8,121		8,121	8,644
February		6,964		6,964	8,079
March		9,191		9,191	8,879
April		8,947		8,947	9,002
May		9,705		9,705	9,077
June		7,193		7,193	6,501
July		7,144		7,144	7,838
August		8,480		8,480	8,015
September		6,942		6,942	7,151
October		8,352		8,352	7,538
November		7,887		7,887	8,953
December		7,453		7,453	8,059
Total for Year		96379		96379	97736

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:

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #1	133,300	70,885	Ground Water
Well #2	133,400	108,164	Ground Water
Well #3	133,300	83,975	Ground Water

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : Highlands

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>400000</u>
	Capacity limited by permitted withdrawal at wells
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Aeration and Chemical</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: _____
FILTRATION	
Type and size of area: <u>N/A</u>	
Pressure (in square feet): _____	Manufacturer: _____
Gravity (in GPM/square feet): _____	Manufacturer: _____

UTILITY NAME: Placid Lakes Utilities, Inc.

YEAR OF REPORT
December 31, 2002

SYSTEM NAME / COUNTY : Highlands

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	1,525	1,525
3/4"	Displacement	1.5		
1"	Displacement	2.5	23	58
1 1/2"	Displacement or Turbine	5.0	1	5
2"	Displacement, Compound or Turbine	8.0	7	56
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				1,644

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC Calculation:

$$96,379,000 / 1,523 / 365 = 173.38$$

263,643 gpd of average daily system demand

$$263,643 / 173.38 = 1,521$$

W-13

GROUP _____

SYSTEM _____

UTILITY NAME: Placid Lakes Utilities, Inc.

SYSTEM NAME / COUNTY : Highlands

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 2,349
2. Maximum number of ERCs * which can be served. 2,349
3. Present system connection capacity (in ERCs *) using existing lines. 4,564
4. Future connection capacity (in ERCs *) upon service area buildout. 8,454
5. Estimated annual increase in ERCs *. 40
6. Is the utility required to have fire flow capacity? Yes
 If so, how much capacity is required? 120,000 gpd
7. Attach a description of the fire fighting facilities. 300,000 gals of storage and 26 hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. _____

9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules:
 - 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 # 5280223
12. Water Management District Consumptive Use Permit # 204980.05
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

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

WASTEWATER OPERATING SECTION

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