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RECORDS AND REPORTING

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September 24, 1999  
**VIA HAND DELIVERY**

ROBERT M. C. ROSE  
OF COUNSEL

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: D.R. Horton Custom Homes, Inc.; PSC Docket No. 981609-WS  
Emergency Petition to Eliminate Service Availability and AFPI Charges of Southlake  
Utilities, Inc.  
Our File No. 33083.01

Dear Ms. Bayo:

Attached are the original and fifteen (15) copies of a more legible version of schedules which were attached to the letter to Bart Fletcher which was filed on September 23, 1999.

Should you have any questions in this regard, please let me know.

Sincerely,

Tonya Graham  
Secretary to F. Marshall Deterding

|     |              |                       |
|-----|--------------|-----------------------|
| AFA | <u>1</u>     |                       |
| APP | <u>    </u>  | FMD/tmg               |
| CAF | <u>    </u>  | cc: Mr. Bart Fletcher |
| CMU | <u>    </u>  | Tricia Merchant, CPA  |
| CTR | <u>    </u>  | Mr. Ian Forbes        |
| EAG | <u>    </u>  | Samantha Cibula, Esq. |
| LEG | <u>  1  </u> | Mr. David Auld        |
| MAS | <u>    </u>  | Mr. Ralph Spano       |
| OPC | <u>    </u>  | James Boyd, P.E.      |
| PAI | <u>    </u>  | Mr. Mike Burton       |
| SEC | <u>    </u>  |                       |
| WAW | <u>    </u>  |                       |
| OTH | <u>    </u>  | drhorton\2bayo.ltr    |

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FPSC-BUREAU OF RECORDS

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11583 SEP 24 99

FPSC-RECORDS/REPORTING

Scenario: Assume Current Service Availability Charges  
Reduce Capitalized Lease

|   | 1997 - Actual |                   |             | 1998 - Actual |             |             | 1999 - Projected |             |             |
|---|---------------|-------------------|-------------|---------------|-------------|-------------|------------------|-------------|-------------|
|   | Water         | Wastewater        | Total       | Water         | Wastewater  | Total       | Water            | Wastewater  | Total       |
| <b>Utility Plant in Service:</b>  |               |                   |             |               |             |             |                  |             |             |
| Plant in service previous year:   |               |                   |             |               |             |             |                  |             |             |
| Trans & Dist Lines, Services, meters & Meter Installations & Hydrants                                       | NA            | NA                | NA          | NA            | NA          | NA          | NA               | NA          | NA          |
| Collection Sewers - Force & Gravity   | NA            | NA                | NA          | NA            | NA          | NA          | NA               | NA          | NA          |
| Other   | NA            | NA                | NA          | NA            | NA          | NA          | NA               | NA          | NA          |
| <b>Total Plant in service previous year</b>   |               |                   |             |               |             |             |                  |             |             |
| Plus: Additions (1999 to buildout assumes additional contributed lines at same ratio per connection as now) | \$324,628     | \$1,037,736       | \$1,362,362 | \$254,022     | \$1,022,251 | \$1,276,273 | NA               | NA          | NA          |
| Less: Adjustment per D.R. Horton Custom Homes: (1)  | \$120,182     | \$93,990          | \$214,172   | \$232,614     | \$807,919   | \$1,040,433 | \$450,913        | \$1,135,486 | \$1,586,399 |
| <b>Net additions</b>  |               |                   |             |               |             |             |                  |             |             |
| Profoms Additions for Plant Expansions  | \$120,182     | \$93,990          | \$214,172   | (\$182,128)   | (\$771,850) | (\$593,978) | \$139,197        | \$102,207   | \$241,404   |
| Less: Retirements   | \$0           | \$0               | \$0         | \$50,388      | \$36,069    | \$86,455    | \$0              | \$0         | \$0         |
| <b>Plant in Service</b>   |               |                   |             |               |             |             |                  |             |             |
| Construction Work in Progress   | \$400,527     | \$1,099,417       | \$1,499,944 | \$0           | \$0         | \$0         | \$139,197        | \$102,207   | \$241,404   |
| Other   | \$0           | \$0               | \$0         | \$0           | \$0         | \$0         | \$654,320        | \$850,000   | \$1,504,320 |
| <b>Projected through Buildout</b>   |               |                   |             |               |             |             |                  |             |             |
| Total Utility Plant in Service  | NA            | NA                | \$0         | \$450,913     | \$1,135,486 | \$1,586,399 | \$0              | \$0         | \$0         |
|   | \$400,527     | \$1,099,417       | \$1,499,944 | NA            | NA          | \$0         | NA               | NA          | \$0         |
| <b>Accumulated Depreciation and Amortization:</b>   |               |                   |             |               |             |             |                  |             |             |
| Balance Previous year   |               |                   |             |               |             |             | \$1,244,430      | \$2,087,693 | \$3,332,123 |
| Net additions: Years to Buildout from 1999  | Water 8.21    | Sewer 4.16        | \$163,332   | \$34,021      | \$199,667   | \$229,908   | \$47,139         | \$253,418   | \$300,557   |
| From annual report  |               |                   |             |               |             |             |                  |             |             |
| New through Buildout  | 30            | Year average life | \$66,678    | \$13,118      | \$57,531    | \$70,649    | \$13,118         | \$57,531    | \$70,649    |
| <b>Balance end of Year</b>  |               |                   |             |               |             |             |                  |             |             |
| Net Utility Plant   | \$34,021      | \$195,887         | \$229,908   | \$47,139      | \$253,418   | \$300,557   | \$26,451         | \$31,740    | \$56,191    |
|   | \$368,508     | \$903,530         | \$1,270,036 | \$403,774     | \$882,068   | \$1,285,842 | \$80,257         | \$310,949   | \$371,206   |
| <b>Contributions in Aid of Construction (CIAC):</b>   |               |                   |             |               |             |             |                  |             |             |
| Balance first of year   |               |                   |             |               |             |             | \$1,184,173      | \$1,776,744 | \$2,960,917 |
| Add credits during year (from Additions to CIAC below)  | \$582,141     | \$935,288         | \$1,517,429 | \$803,085     | \$1,284,037 | \$2,067,122 | \$783,534        | \$1,155,296 | \$1,938,830 |
| <b>Total</b>  |               |                   |             |               |             |             |                  |             |             |
| Deduct charges during the year (Prepaid CIAC)   | \$803,085     | \$1,284,037       | \$2,087,122 | \$163,077     | \$264,789   | \$427,866   | \$307,197        | \$412,207   | \$719,404   |
| <b>Balance end of year</b>  |               |                   |             |               |             |             |                  |             |             |
| Net Utility Plant   | \$0           | \$0               | \$0         | \$968,162     | \$1,548,826 | \$2,514,988 | \$1,090,731      | \$1,567,503 | \$2,658,234 |
| Less: Accumulated Amortization:   | \$803,085     | \$1,284,037       | \$2,087,122 | \$182,628     | \$393,530   | \$578,158   | \$0              | \$0         | \$0         |
| Balance first of year   |               |                   |             | \$783,534     | \$1,155,296 | \$1,938,830 | \$0              | \$0         | \$0         |
| Add credits during year (Amort Prepaid Cap Charges)   | \$18,100      | \$50,592          | \$68,692    | \$36,944      | \$103,093   | \$140,037   | \$1,090,731      | \$1,567,503 | \$2,658,234 |
| Deduct debits during year - from 1999 annual report   | \$0           | \$0               | \$0         | \$3,565       | \$14,535    | \$18,100    | \$80,593         | \$165,949   | \$226,542   |
| Deduct debits during year - new through Buildout  | \$18,844      | \$52,501          | \$71,345    | \$27,214      | \$77,391    | \$104,605   | \$3,565          | \$14,535    | \$18,100    |
| <b>Accumulated Amortization - Balance end of year</b>   |               |                   |             |               |             |             |                  |             |             |
| Net CIAC  | \$36,944      | \$103,093         | \$140,037   | \$60,593      | \$165,949   | \$226,542   | \$27,214         | \$77,391    | \$104,605   |
|   | \$766,141     | \$1,180,944       | \$1,947,085 | \$722,941     | \$989,547   | \$1,712,288 | \$10,240         | \$13,740    | \$23,980    |
|   |               |                   |             |               |             |             | \$84,242         | \$228,805   | \$313,047   |
|   |               |                   |             |               |             |             | \$1,006,489      | \$1,338,698 | \$2,345,187 |
| <b>Percentages that Net CIAC is of Net Utility Plant w/o Prepaid CIAC</b>                                   |               |                   |             |               |             |             |                  |             |             |
|   | 208.64%       | 130.76%           | 153.31%     | 176.08%       | 112.16%     | 133.16%     | 85.60%           | 75.34%      | 79.20%      |
| <b>Percentages that Net CIAC is of Net Utility Plant w/ Prepaid CIAC</b>                                    |               |                   |             |               |             |             |                  |             |             |
|   | NA            | NA                | NA          | 223.38%       | 155.13%     | 178.88%     | 100.12%          | 94.68%      | 98.05%      |
| <b>Buildout Capacity Analysis:</b>  |               |                   |             |               |             |             |                  |             |             |
| Capacity in mgd   |               |                   |             | 0.6000        | 0.1647      | NA          | 0.6000           | 0.1647      | NA          |
| Plus: Increase in capacity  |               |                   |             | 0.0000        | 0.0000      | NA          | 2.3160           | 0.3853      | NA          |
| <b>Total Capacity in mgd</b>  |               |                   |             | 0.6000        | 0.1647      | NA          | 2.9160           | 0.5500      | NA          |
| Capacity in ERCs @ 787.5 gpd per ERC  |               |                   |             | 762           | 588         | NA          | 3,703            | 1,964       | NA          |
| Water/Wastewater treatment Sold to Customers (1,000 gallons)  |               |                   |             | 120,984       | 30,815      | NA          | 235,933          | 71,830      | NA          |
| Current ERCs @ 787.5 gpd per ERC  |               |                   |             | 421           | 302         | NA          | 821              | 701         | NA          |
| Available Capacity in ERCs  |               |                   |             | 341           | 286         | NA          | 2,882            | 1,263       | NA          |
| Annual Growth in ERCs to Buildout   |               |                   |             | 400           | 400         | NA          | 400              | 400         | NA          |
| Years to buildout   |               |                   |             | NA            | NA          | NA          | NA               | NA          | NA          |
| <b>Additions to CIAC:</b>   |               |                   |             |               |             |             |                  |             |             |
| Contributions from developers:  |               |                   |             |               |             |             |                  |             |             |
| 1 Developer Contribution - Lines @  | Water \$348   | Sewer \$258       | per ERC     | NA            | NA          | NA          | NA               | NA          | NA          |
| Developer Contribution - Cash   |               |                   |             | \$33,720      | \$18,000    | \$51,720    | NA               | NA          | NA          |
| <b>Subtotal</b>   |               |                   |             | \$33,720      | \$18,000    | \$51,720    | NA               | NA          | NA          |
| <b>Charges:</b>   |               |                   |             |               |             |             |                  |             |             |
| Water Plant Capacity Charges  | Connections   | Charge            |             |               |             |             |                  |             |             |
| Wastewater Plant Capacity Charges   | 408.0305      | \$420.00          | \$171,373   |               |             |             |                  |             |             |
| Meter Installation Fee - 5/8x3/4"   | 426.7733      | \$775.00          | \$0         | \$330,749     | \$330,749   |             |                  |             |             |
| Meter Installation Fee - 1"   | 107           | \$130.00          | \$13,910    | \$0           | \$13,910    |             |                  |             |             |
| Meter Installation Fee - 2"   | 0             | \$210.00          | \$0         | \$0           | \$0         |             |                  |             |             |
| Meter Installation Fee - Other  | 0             | \$468.25          | \$0         | \$0           | \$0         |             |                  |             |             |
| Subtotal  | 5 Various     | \$1,941           | \$1,941     |               |             |             |                  |             |             |
| <b>Total additions to CIAC</b>  |               |                   |             | \$187,224     | \$330,749   | \$517,973   |                  |             |             |
|   |               |                   |             | \$220,944     | \$348,749   | \$569,693   |                  |             |             |

(1) Adjustment to remove capitalized lease  
= Adjustments made to annual report

**D.R. Horton Custom Homes, Inc.**  
**P&C Docket No. 881809-WS**  
**Service Availability & AFPI Charge Analysis**

A-2

**Scenario: Assumes Current Service Availability Charges  
 Reduces Capitalized Lease**

|  | 2000 - Projected |                   |              | Buildout - Projected |             |           |                    |                   |             |             |             |  |
|--|------------------|-------------------|--------------|----------------------|-------------|-----------|--------------------|-------------------|-------------|-------------|-------------|--|
|  | O                | P                 | Q            | R                    | S           | J         | K                  | L                 | M           | N           |             |  |
|  | Water            |                   |              | Wastewater           |             |           | Water              |                   |             | Wastewater  |             |  |
|  | Total            |                   |              | Total                |             |           | Total              |                   |             | Total       |             |  |
| <b>Utility Plant In Service:</b>   |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Plant in service previous year:  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Trans & Dist Lines, Services, meters & Meter Installations & Hydrants  |                  |                   | NA           | NA                   | NA          |           |                    | NA                | NA          | NA          |             |  |
| Collection Sewers - Force & Gravity  |                  |                   | NA           | NA                   | NA          |           |                    | NA                | NA          | NA          |             |  |
| Other  |                  |                   | NA           | NA                   | NA          |           |                    | NA                | NA          | NA          |             |  |
| <b>Total Plant in service previous year</b>  |                  |                   | \$1,244,430  | \$2,087,893          | \$3,332,123 |           |                    | \$450,913         | \$1,135,486 | \$1,686,399 |             |  |
| Plus: Additions (1999 to buildout assumes additional contributed lines at same ratio per connection as Devs: Adjustment per D.R. Horton Custom Homes: (1)) |                  |                   | \$139,197    | \$102,207            | \$241,404   |           |                    | \$1,142,809       | \$425,180   | \$1,567,988 |             |  |
| <b>Net additions</b>   |                  |                   | \$139,197    | \$102,207            | \$241,404   |           |                    | \$1,142,809       | \$425,180   | \$1,567,988 |             |  |
| Proforma Additions for Plant Expansions  |                  |                   | \$0          | \$0                  | \$0         |           |                    | \$694,320         | \$850,000   | \$1,504,320 |             |  |
| Less: Retirements  |                  |                   | \$0          | \$0                  | \$0         |           |                    | \$0               | \$0         | \$0         |             |  |
| <b>Plant In Service</b>  |                  |                   | \$1,383,627  | \$2,189,899          | \$3,573,527 |           |                    | \$2,248,042       | \$2,410,666 | \$4,658,707 |             |  |
| Construction Work In Progress  |                  |                   | \$0          | \$0                  | \$0         |           |                    | \$0               | \$0         | \$0         |             |  |
| Other:   |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Projected through Buildout   |                  |                   | NA           | NA                   | \$0         |           |                    | NA                | NA          | \$0         |             |  |
| <b>Total Utility Plant in Service</b>  |                  |                   | \$1,383,627  | \$2,189,899          | \$3,573,527 |           |                    | \$2,248,042       | \$2,410,666 | \$4,658,707 |             |  |
| <b>Accumulated Depreciation and Amortization:</b>  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Balance Previous year  |                  |                   | \$60,257     | \$310,949            | \$371,206   |           |                    | \$47,139          | \$253,418   | \$300,557   |             |  |
| Net additions: Years to Buildout from 1999 8.21  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| From annual report   |                  |                   | \$13,118     | \$57,531             | \$70,649    |           |                    | \$107,699         | \$239,329   | \$347,028   |             |  |
| New through Buildout 30 Year average life  |                  |                   | \$26,451     | \$31,740             | \$58,191    |           |                    | \$491,814         | \$178,825   | \$668,639   |             |  |
| <b>Balance End of Year</b>   |                  |                   | \$73,375     | \$368,480            | \$441,855   |           |                    | \$646,652         | \$669,572   | \$1,316,224 |             |  |
| <b>Net Utility Plant</b>   |                  |                   | \$1,310,252  | \$1,821,419          | \$3,131,672 |           |                    | \$1,601,390       | \$1,741,094 | \$3,342,483 |             |  |
| <b>Contributions In Aid of Construction (CIAC):</b>  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Balance first of year  |                  |                   | \$803,065    | \$1,284,037          | \$2,087,122 |           |                    | \$783,534         | \$1,155,296 | \$1,938,830 |             |  |
| Add credits during year (from Additions to CIAC below)   |                  |                   | \$307,197    | \$412,207            | \$719,404   |           |                    | \$2,706,705       | \$1,714,780 | \$4,421,485 |             |  |
| <b>Total</b>   |                  |                   | \$1,110,262  | \$1,696,244          | \$2,806,526 |           |                    | \$3,490,239       | \$2,870,076 | \$6,360,315 |             |  |
| Deduct charges during the year (Prepaid CIAC)  |                  |                   | \$0          | \$0                  | \$0         |           |                    | \$0               | \$0         | \$0         |             |  |
| <b>Balance end of year</b>   |                  |                   | \$1,110,262  | \$1,696,244          | \$2,806,526 |           |                    | \$3,490,239       | \$2,870,076 | \$6,360,315 |             |  |
| Less: Accumulated Amortization:  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Balance first of year  |                  |                   | \$84,242     | \$226,805            | \$313,047   |           |                    | \$60,693          | \$165,949   | \$226,642   |             |  |
| Add credits during year (Amort Prepaid Cap Charges)  |                  |                   | \$3,565      | \$14,535             | \$18,100    |           |                    | \$29,299          | \$90,466    | \$89,734    |             |  |
| Deduct debits during year - from 1999 annual report  |                  |                   | \$27,214     | \$77,391             | \$104,605   |           |                    | \$223,427         | \$321,947   | \$545,374   |             |  |
| Deduct debits during year - new through Buildout   |                  |                   | \$10,240     | \$13,740             | \$23,980    |           |                    | \$370,367         | \$118,891   | \$489,259   |             |  |
| <b>Accumulated Amortization - Balance end of year</b>  |                  |                   | \$107,891    | \$291,861            | \$399,552   |           |                    | \$625,119         | \$546,321   | \$1,171,440 |             |  |
| <b>Net CIAC</b>  |                  |                   | \$1,002,391  | \$1,404,383          | \$2,406,974 |           |                    | \$2,865,120       | \$2,323,754 | \$5,188,874 |             |  |
| <b>Percentage that Net CIAC is of Net Utility Plant w/o Prepaid CIAC</b>   |                  |                   | 76.60%       | 77.11%               | 78.68%      |           |                    | 178.91%           | 133.47%     | 155.24%     |             |  |
| <b>Percentage that Net CIAC is of Net Utility Plant w/ Prepaid CIAC</b>  |                  |                   | 80.17%       | 87.82%               | 84.88%      |           |                    | NA                | NA          | NA          |             |  |
| <b>Buildout Capacity Analysis:</b>   |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Capacity in mgd  |                  |                   | 2.9160       | 0.5500               | NA          |           |                    | 0.6000            | 0.1647      | NA          |             |  |
| Plus: Increase in capacity   |                  |                   | 0.0000       | 0.0000               | NA          |           |                    | 2.3160            | 0.3853      | NA          |             |  |
| <b>Total Capacity in mgd</b>   |                  |                   | 2.9160       | 0.5500               | NA          |           |                    | 2.9160            | 0.5500      | NA          |             |  |
| Capacity in ERC's @ 787.5 gpd per ERC 280  |                  |                   | 3,703        | 1,964                | NA          |           |                    | 3,703             | 1,964       | NA          |             |  |
| Water/Wastewater treatment Sold to Customers (1,000 gallons)   |                  |                   | 350,882      | 112,502              | NA          |           |                    | 1,064,956         | 200,925     | NA          |             |  |
| Current ERCs @ 787.5 gpd per ERC 280   |                  |                   | 1,221        | 1,101                | NA          |           |                    | 3,705             | 1,966       | NA          |             |  |
| <b>Available Capacity in ERCs</b>  |                  |                   | 2,482        | 863                  | NA          |           |                    | 0                 | 0           | NA          |             |  |
| Annual Growth in ERCs to Buildout  |                  |                   | 400          | 400                  | NA          |           |                    | 400               | 400         | NA          |             |  |
| Years to buildout  |                  |                   | NA           | NA                   | NA          |           |                    | 8.21              | 4.16        | NA          |             |  |
| <b>Additions to CIAC:</b>  |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Contributions from developers:   |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| 1 Developer Contribution - Lines @ \$348   |                  |                   | \$139,197    | \$102,207            | \$241,404   |           |                    | \$1,142,809       | \$425,180   | \$1,567,988 |             |  |
| Developer Contribution - Cash  |                  | NA                | NA           | \$0                  | \$0         |           | NA                 | NA                | \$0         | \$0         |             |  |
| <b>Subtotal</b>  |                  |                   | \$139,197    | \$102,207            | \$241,404   |           |                    | \$1,142,809       | \$425,180   | \$1,567,988 |             |  |
| Charges:   |                  |                   |              |                      |             |           |                    |                   |             |             |             |  |
| Water Plant Capacity Charges   |                  | Connection Charge | 400 \$420.00 | \$168,000            | \$0         | \$168,000 | Connections Charge | 3,284.00 \$420.00 | \$1,379,280 | \$0         | \$1,379,280 |  |
| Wastewater Plant Capacity Charges  |                  |                   | 400 \$775.00 | \$0                  | \$310,000   | \$310,000 |                    | 1,684.00 \$775.00 | \$0         | \$1,289,600 | \$1,289,600 |  |
| Meter Installation Fee - 6/8x3/4"  |                  |                   |              |                      |             |           |                    | 1,219.19 130.00   | \$158,494   | \$0         | \$158,494   |  |
| Meter Installation Fee - 1"  |                  |                   |              |                      |             |           |                    | 0.00 210.00       | \$0         | \$0         | \$0         |  |
| Meter Installation Fee - 2"  |                  |                   |              |                      |             |           |                    | 24.63 468.25      | \$11,484    | \$0         | \$11,484    |  |
| Meter Installation Fee - Other   |                  |                   |              |                      |             |           |                    | 38.95 Various     | \$14,638    | \$0         | \$14,638    |  |
| <b>Subtotal</b>  |                  |                   |              |                      |             |           |                    |                   | \$1,563,896 | \$1,289,600 | \$2,853,496 |  |
| <b>Total additions to CIAC</b>   |                  |                   | \$307,197    | \$412,207            | \$719,404   |           |                    | \$2,706,705       | \$1,714,780 | \$4,421,485 |             |  |

(1) Adjustment to remove capitalized lease

Scenario: **Computes Proposed Service Availability Charges  
Reduces Capitalized Lease**

|   | 1997 - Actual        |                   |             | 1998 - Actual        |                 |             | 1999 - Projected |                 |             |
|---|----------------------|-------------------|-------------|----------------------|-----------------|-------------|------------------|-----------------|-------------|
|   | B<br>Water           | C<br>Wastewater   | D<br>Total  | E<br>Water           | F<br>Wastewater | G<br>Total  | H<br>Water       | I<br>Wastewater | J<br>Total  |
| <b>Utility Plant in Service:</b>  |                      |                   |             |                      |                 |             |                  |                 |             |
| Plant in service previous year:   |                      |                   |             |                      |                 |             |                  |                 |             |
| Trans & Dist Lines, Services, meters & Meter Installations & Hydrants                                       | NA                   | NA                | NA          |                      |                 |             |                  |                 |             |
| Collection Sewers - Force & Gravity   | NA                   | NA                | NA          | \$148,505            | NA              | \$148,505   | NA               | NA              | NA          |
| Other   | NA                   | NA                | NA          | NA                   | \$77,166        | \$77,166    | NA               | NA              | NA          |
| <b>Total Plant in service previous year</b>   |                      |                   |             | \$254,022            | \$1,022,251     | \$1,276,273 | NA               | NA              | NA          |
| Plus: Additions (1999 to buildout assumes additional contributed lines at same ratio per connection as now) | \$324,826            | \$1,037,736       | \$1,362,562 | \$400,527            | \$1,099,417     | \$1,499,944 | \$450,913        | \$1,135,486     | \$1,586,399 |
| Less: Adjustment per D.R. Horton Custom Homes: (1)  | \$120,182            | \$93,990          | \$214,172   | \$232,514            | \$807,919       | \$1,040,433 | \$139,197        | \$102,207       | \$241,404   |
| <b>Net additions</b>  | \$204,644            | \$937,746         | \$1,142,390 | (\$182,128)          | (\$771,850)     | (\$953,978) | \$0              | \$0             | \$0         |
| Proforma Additions for Plant Expansions   | \$120,182            | \$93,990          | \$214,172   | \$50,388             | \$36,069        | \$86,455    | \$139,197        | \$102,207       | \$241,404   |
| Less: Retirements   | \$0                  | \$0               | \$0         | \$0                  | \$0             | \$0         | \$0              | \$0             | \$0         |
| <b>Plant in Service</b>   | \$324,826            | \$1,037,736       | \$1,362,562 | \$400,527            | \$1,099,417     | \$1,499,944 | \$450,913        | \$1,135,486     | \$1,586,399 |
| Construction Work in Progress   | \$0                  | \$0               | \$0         | \$0                  | \$0             | \$0         | \$0              | \$0             | \$0         |
| Other:  | \$0                  | \$0               | \$0         | \$0                  | \$0             | \$0         | \$0              | \$0             | \$0         |
| Projected through Buildout  | NA                   | NA                | \$0         | NA                   | NA              | \$0         | NA               | NA              | \$0         |
| <b>Total Utility Plant in Service</b>   | \$324,826            | \$1,037,736       | \$1,362,562 | \$400,527            | \$1,099,417     | \$1,499,944 | \$450,913        | \$1,135,486     | \$1,586,399 |
| <b>Accumulated Depreciation and Amortization:</b>   |                      |                   |             |                      |                 |             |                  |                 |             |
| Balance Previous year   |                      |                   |             |                      |                 |             |                  |                 |             |
| Net additions: Years to Buildout from 1999  | Water 8.21           | Sewer 4.16        |             | \$34,021             | \$195,887       | \$229,908   | \$47,139         | \$253,418       | \$300,557   |
| From annual report  |                      |                   |             |                      |                 |             |                  |                 |             |
| New through Buildout  | 30                   | Year average life |             | \$10,921             | \$56,655        | \$66,576    | \$13,118         | \$57,631        | \$70,649    |
| <b>Balance End of Year</b>  |                      |                   |             | \$34,021             | \$195,887       | \$229,908   | \$34,021         | \$195,887       | \$229,908   |
| <b>Net Utility Plant</b>  | \$324,826            | \$1,037,736       | \$1,362,562 | \$400,527            | \$1,099,417     | \$1,499,944 | \$450,913        | \$1,135,486     | \$1,586,399 |
| <b>Contributions in Aid of Construction (CIAC):</b>   |                      |                   |             |                      |                 |             |                  |                 |             |
| Balance first of year   |                      |                   |             |                      |                 |             |                  |                 |             |
| Add credits during year (from Additions to CIAC below)  | \$582,141            | \$935,288         | \$1,517,429 | \$803,085            | \$1,284,037     | \$2,087,122 | \$783,534        | \$1,155,296     | \$1,938,830 |
| <b>Total</b>  | \$220,944            | \$348,749         | \$569,693   | \$183,077            | \$264,789       | \$427,866   | \$139,197        | \$149,287       | \$288,484   |
| Deduct charges during the year (Prepaid CIAC)   | \$803,085            | \$1,284,037       | \$2,087,122 | \$956,162            | \$1,548,828     | \$2,514,988 | \$922,731        | \$1,304,583     | \$2,227,314 |
| <b>Balance end of year</b>  | \$0                  | \$0               | \$0         | \$182,628            | \$393,630       | \$576,158   | \$0              | \$0             | \$0         |
| Less: Accumulated Amortization:   |                      |                   |             |                      |                 |             |                  |                 |             |
| Balance first of year   | \$18,100             | \$50,592          | \$68,692    | \$36,944             | \$103,093       | \$140,037   | \$60,593         | \$165,949       | \$226,542   |
| Add credits during year (Amort Prepaid Cap Charges)   | \$0                  | \$0               | \$0         | \$3,565              | \$14,535        | \$18,100    | \$3,565          | \$14,535        | \$18,100    |
| Deduct debits during year - from 1999 annual report   | \$18,844             | \$52,501          | \$71,345    | \$27,214             | \$77,391        | \$104,605   | \$27,214         | \$77,391        | \$104,605   |
| Deduct debits during year - new through Buildout  |                      |                   |             |                      |                 |             | \$4,640          | \$4,978         | \$9,618     |
| <b>Accumulated Amortization - Balance end of year</b>   | \$36,944             | \$103,093         | \$140,037   | \$60,593             | \$165,949       | \$226,542   | \$84,242         | \$228,805       | \$313,047   |
| <b>Net CIAC</b>   | \$768,141            | \$1,180,944       | \$1,947,085 | \$722,941            | \$989,347       | \$1,712,288 | \$838,489        | \$1,075,778     | \$1,914,287 |
| <b>Percentage that Net CIAC is of Net Utility Plant w/o Prepaid CIAC</b>                                    | 209.04%              | 130.70%           | 153.31%     | 179.05%              | 112.16%         | 133.16%     | 70.81%           | 60.85%          | 64.85%      |
| <b>Percentage that Net CIAC is of Net Utility Plant w/ Prepaid CIAC</b>                                     | NA                   | NA                | NA          | 223.38%              | 186.13%         | 178.66%     | 85.93%           | 81.88%          | 83.60%      |
| <b>Buildout Capacity Analysis:</b>  |                      |                   |             |                      |                 |             |                  |                 |             |
| Capacity in mgd   | NA                   | NA                | NA          | 0.6000               | 0.1647          | NA          | 0.6000           | 0.1647          | NA          |
| Plus: Increase in capacity  | NA                   | NA                | NA          | 0.0000               | 0.0000          | NA          | 2.3160           | 0.3853          | NA          |
| <b>Total Capacity in mgd</b>  | NA                   | NA                | NA          | 0.6000               | 0.1647          | NA          | 2.9160           | 0.5500          | NA          |
| Capacity in ERC's @ 787.5 gpd per ERC   | NA                   | NA                | NA          | 762                  | 588             | NA          | 3,703            | 1,964           | NA          |
| Water/Wastewater treatment Sold to Customers (1,000 gallons)  | NA                   | NA                | NA          | 421                  | 302             | NA          | 235,933          | 71,630          | NA          |
| Current ERCs @ 787.5 gpd per ERC  | NA                   | NA                | NA          | 341                  | 288             | NA          | 821              | 701             | NA          |
| Available Capacity in ERCs  | NA                   | NA                | NA          | 400                  | 400             | NA          | 2,882            | 1,263           | NA          |
| Annual Growth in ERCs to Buildout   | NA                   | NA                | NA          | NA                   | NA              | NA          | 400              | 400             | NA          |
| Years to buildout   | NA                   | NA                | NA          | NA                   | NA              | NA          | NA               | NA              | NA          |
| <b>Additions to CIAC:</b>   |                      |                   |             |                      |                 |             |                  |                 |             |
| Contributions from developers:  |                      |                   |             |                      |                 |             |                  |                 |             |
| 1 Developer Contribution - Lines @ \$348  | NA                   | NA                | NA          | NA                   | NA              | NA          | NA               | NA              | NA          |
| Developer Contribution - Cash Miller Bros   | \$33,720             | \$18,000          | \$51,720    | NA                   | NA              | NA          | \$139,197        | \$102,207       | \$241,404   |
| <b>Subtotal</b>   | \$33,720             | \$18,000          | \$51,720    | \$0                  | \$0             | \$0         | \$0              | \$0             | \$0         |
| <b>Charges:</b>   |                      |                   |             |                      |                 |             |                  |                 |             |
| Water Plant Capacity Charges  | Connections 408,0305 | Charge \$420.00   | \$171,373   | Connections 318,9373 | Charge \$420.00 | \$133,954   | Connections 400  | Charge \$0.00   | \$0         |
| Wastewater Plant Capacity Charges   | 426,7733             | \$778.00          | \$330,749   | 341,6633             | \$778.00        | \$264,789   | 400              | \$117.70        | \$47,080    |
| Meter Installation Fee - 5/8x3/4"   | 107                  | \$130.00          | \$13,910    | 190                  | \$130.00        | \$24,700    | 400              | \$117.70        | \$47,080    |
| Meter Installation Fee - 1"   | 0                    | \$210.00          | \$0         | 0                    | \$210.00        | \$0         | 0                | \$0             | \$0         |
| Meter Installation Fee - 2"   | 0                    | \$466.25          | \$0         | 6                    | \$466.25        | \$2,798     | 0                | \$0             | \$0         |
| Meter Installation Fee - Other  | 5 Various            | \$1,941           | \$1,941     | 4 Various            | \$1,625         | \$1,625     | 0                | \$0             | \$0         |
| <b>Subtotal</b>   | \$187,224            | \$330,749         | \$517,973   | \$163,077            | \$264,789       | \$427,866   | \$0              | \$47,080        | \$47,080    |
| <b>Total additions to CIAC</b>  | \$220,944            | \$348,749         | \$569,693   | \$183,077            | \$264,789       | \$427,866   | \$139,197        | \$149,287       | \$288,484   |

(1) Adjustment to remove capitalized lease

Adjustments made to annual report

Scenario: Computer Proposed Service Availability Charges  
Reduce Capitalized Lease

B-2

|   | 2000 - Projected |             |             | Buildout - Projected |             |             |
|---|------------------|-------------|-------------|----------------------|-------------|-------------|
|   | Water            | Wastewater  | Total       | Water                | Wastewater  | Total       |
| <b>Utility Plant in Service:</b>  |                  |             |             |                      |             |             |
| Plant in service previous year:   |                  |             |             |                      |             |             |
| Trans & Dist Lines, Services, meters & Meter Installations & Hydrants   | NA               | NA          | NA          | NA                   | NA          | NA          |
| Collection Sewers - Force & Gravity   | NA               | NA          | NA          | NA                   | NA          | NA          |
| Other   | NA               | NA          | NA          | NA                   | NA          | NA          |
| Total Plant in service previous year  | NA               | NA          | NA          | NA                   | NA          | NA          |
| Plus: Additions (1999 to buildout assumes additional contributed lines at same ratio per connection as Devs: Adjustment per D.R. Horton Custom Homes (1)) | \$1,244,430      | \$2,087,893 | \$3,332,123 | \$450,913            | \$1,135,488 | \$1,586,399 |
| Net additions   | \$139,197        | \$102,207   | \$241,404   | \$1,142,809          | \$425,180   | \$1,567,988 |
| Proforma Additions for Plant Expansions   | \$0              | \$0         | \$0         | \$0                  | \$0         | \$0         |
| Less: Retirements   | \$139,197        | \$102,207   | \$241,404   | \$0                  | \$0         | \$0         |
| Plant in Service  | \$0              | \$0         | \$0         | \$1,142,809          | \$425,180   | \$1,567,988 |
| Construction Work in Progress   | \$684,320        | \$850,000   | \$1,504,320 | \$0                  | \$0         | \$0         |
| Other:  | \$0              | \$0         | \$0         | \$0                  | \$0         | \$0         |
| Projected through Buildout  | \$1,383,827      | \$2,189,899 | \$3,573,527 | \$2,248,042          | \$2,410,668 | \$4,658,707 |
| Total Utility Plant in Service  | NA               | NA          | \$0         | \$0                  | \$0         | \$0         |
| <b>Accumulated Depreciation and Amortization:</b>   |                  |             |             |                      |             |             |
| Balance Previous year   |                  |             |             | NA                   | NA          | \$0         |
| Net additions: Years to Buildout from 1999 8.21   | \$60,257         | \$310,949   | \$371,206   | \$2,248,042          | \$2,410,668 | \$4,658,707 |
| From annual report  | \$13,118         | \$57,631    | \$70,649    | \$47,139             | \$253,418   | \$300,557   |
| New through Buildout  | \$26,451         | \$31,740    | \$58,191    | \$107,699            | \$239,329   | \$347,028   |
| Balance end of year   | \$73,375         | \$388,480   | \$441,855   | \$491,814            | \$176,825   | \$668,639   |
| Net Utility Plant   | \$1,310,252      | \$1,821,419 | \$3,131,672 | \$648,652            | \$869,572   | \$1,318,224 |
| <b>Contributions in Aid of Construction (CIAC):</b>   |                  |             |             |                      |             |             |
| Balance first of year   |                  |             |             | \$1,801,390          | \$1,741,094 | \$3,342,483 |
| Add credits during year (from Additions to CIAC below)  | \$803,085        | \$1,284,037 | \$2,087,122 | \$783,534            | \$1,155,296 | \$1,938,830 |
| Total   | \$139,197        | \$149,287   | \$288,484   | \$1,327,425          | \$621,033   | \$1,948,458 |
| Deduct charges during the year (Prepaid CIAC)   | \$942,282        | \$1,433,324 | \$2,375,606 | \$2,110,959          | \$1,776,329 | \$3,887,288 |
| Balance end of year   | \$0              | \$0         | \$0         | \$0                  | \$0         | \$0         |
| Less: Accumulated Amortization:   |                  |             |             | \$2,110,959          | \$1,776,329 | \$3,887,288 |
| Balance first of year   |                  |             |             |                      |             |             |
| Add credits during year (Amort Prepaid Cap Charges)   | \$84,242         | \$228,805   | \$313,047   | \$80,593             | \$185,949   | \$226,542   |
| Deduct debits during year - from 1999 annual report   | \$3,565          | \$14,535    | \$18,100    | \$29,269             | \$60,466    | \$89,734    |
| Deduct debits during year - new through Buildout  | \$27,214         | \$77,391    | \$104,605   | \$223,427            | \$321,847   | \$545,374   |
| Accumulated Amortization - Balance end of year  | \$4,640          | \$4,976     | \$9,616     | \$181,836            | \$43,058    | \$224,694   |
| Net CIAC  | \$107,891        | \$281,861   | \$399,552   | \$438,387            | \$470,488   | \$908,875   |
| Percentage that Net CIAC is of Net Utility Plant w/o Prepaid CIAC   | 8.36%            | 62.88%      | 63.10%      | \$1,874,872          | \$1,306,840 | \$2,880,412 |
| Percentage that Net CIAC is of Net Utility Plant w/ Prepaid CIAC  | 77.35%           | 83.49%      | 80.82%      | 104.87%              | 78.00%      | 89.17%      |
| <b>Buildout Capacity Analysis:</b>  |                  |             |             |                      |             |             |
| Capacity in mgd   |                  |             |             | NA                   | NA          | NA          |
| Plus: Increase in capacity  | 2.9160           | 0.5500      | NA          | 0.6000               | 0.1647      | NA          |
| Total Capacity in mgd   | 0.0000           | 0.0000      | NA          | 2.3160               | 0.3853      | NA          |
| Capacity in ERC's @ 787.5 gpd per ERC   | 2.9160           | 0.5500      | NA          | 2.9160               | 0.5500      | NA          |
| Water/Wastewater treatment Sold to Customers (1,000 gallons)  | 3,703            | 1,964       | NA          | 3,703                | 1,964       | NA          |
| Current ERCs @ 787.5 gpd per ERC  | 350,882          | 112,502     | NA          | 1,064,956            | 200,925     | NA          |
| Available Capacity in ERCs  | 1,221            | 1,101       | NA          | 3,705                | 1,966       | NA          |
| Annual Growth in ERCs to Buildout   | 2,482            | 863         | NA          | 0                    | 0           | NA          |
| Years to buildout   | 400              | 400         | NA          | 400                  | 400         | NA          |
|   | NA               | NA          | NA          | 8.21                 | 4.16        | NA          |
| <b>Additions to CIAC:</b>   |                  |             |             |                      |             |             |
| Contributions from developers:  |                  |             |             |                      |             |             |
| 1 Developer Contribution - Lines @ \$348  | NA               | NA          | \$139,197   | NA                   | NA          | \$1,142,809 |
| Developer Contribution - Cash   | NA               | NA          | \$0         | NA                   | NA          | \$0         |
| Subtotal  | NA               | NA          | \$139,197   | NA                   | NA          | \$1,142,809 |
| <b>Charges:</b>   |                  |             |             |                      |             |             |
| Water Plant Capacity Charges  | Connection       | Charge      |             | Connections          | Charge      |             |
| Wastewater Plant Capacity Charges   | 400              | \$0.00      | \$0         | 3,284.00             | \$0.00      | \$0         |
| Meter Installation Fee - 5/8x3/4"   | 400              | \$117.70    | \$47,080    | 1,664.00             | \$117.70    | \$195,853   |
| Meter Installation Fee - 1"   |                  |             |             | 1,219.19             | 130.00      | \$158,494   |
| Meter Installation Fee - 2"   |                  |             |             | 0.00                 | 210.00      | \$0         |
| Meter Installation Fee - Other  |                  |             |             | 24.63                | 468.25      | \$11,484    |
| Subtotal  |                  |             | \$47,080    | 36.95                | Various     | \$14,638    |
| Total additions to CIAC   |                  |             | \$139,197   |                      |             | \$184,816   |
| (1) Adjustment to remove capitalized lease  |                  |             | \$149,287   |                      |             | \$195,853   |
|   |                  |             | \$288,484   |                      |             | \$380,489   |

Source: Burton & Associates  
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