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**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

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

# **ANNUAL REPORT**

WS551-11-AR

Damon Utilities, Inc.  
Exact Legal Name of Respondent

499W,433S  
Certificate Number(s)

Submitted To The

**STATE OF FLORIDA**

**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 2011**

Form PSC/ECR 006-W (Rev. 12/99)

DIVISION OF  
ECONOMIC REGULATION

12 MAY -3 AM 9:09

FLORIDA PUBLIC SERVICE  
COMMISSION

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission  
Division of Economic Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

## GENERAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**FINANCIAL**

**SECTION**

REPORT OF

Damon Utilities, Inc.  
(EXACT NAME OF UTILITY)

47 W. Lake Damon Drive, Avon Park, FL 33825      Same      Highlands  
Mailing Address      Street Address      County

Telephone Number 863/453-0773      Date Utility First Organized ##

Fax Number 863/453-7269      E-mail Address damonutilities@embarqmail.com

Sunshine State One-Call of Florida, Inc. Member No. DU1055

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

Individual       Sub Chapter S Corporation       1120 Corporation       Partnership

Name, Address and phone where records are located: Same as above

Name of subdivisions where services are provided: River Greens Golf Course area and Casa del Lago Condominiums

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>Lisa Davis</u>	<u>Office Manager</u>	<u>Same as above</u>	
Person who prepared this report: <u>Lisa Davis</u>			
Officers and Managers: <u>J.A. Harstine</u>	<u>President</u>		\$ _____
<u>Rodney A. Davis</u>	<u>Secretary</u>		\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>J.A. Harstine</u>	<u>33 1/3</u>	<u>Same</u>	\$ _____
<u>Rodney A. Davis</u>	<u>66 2/3</u>	<u>Same</u>	\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____
			\$ _____

Revised 6/18/12  
L.D.

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT December 31, 2011
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 65,889	\$ 38,566	\$ _____	\$ 104,455
Commercial _____		916	2,281	_____	3,197
Industrial _____		_____	_____	_____	_____
Multiple Family _____		_____	_____	_____	_____
Guaranteed Revenues _____		_____	_____	_____	_____
Other (Specify) _____		1,023	105	_____	1,128
(Shut Offs/late fees)					
Total Gross Revenue _____		\$ 67,828	\$ 40,952	\$ _____	\$ 108,780
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 68,383	\$ 35,724	\$ _____	\$ 104,107
Depreciation Expense _____	F-5	6,165	4,303	_____	10,468
CIAC Amortization Expense _____	F-8	-2,417	-1,228	_____	-3,645
Taxes Other Than Income _____	F-7	4,585	2,187	_____	6,772
Income Taxes _____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 76,716	40,986	_____	\$ 117,702
Net Operating Income (Loss)		\$ -8,888	\$ -34	\$ _____	\$ -8,922
Other Income:					
Nonutility Income _____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense _____		_____	_____	_____	_____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ -8,888	\$ -34	\$ _____	\$ -8,922

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2011
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COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 391913	\$ 375309
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>260853</u>	<u>-259538</u>
Net Utility Plant -----		\$ <u>131060</u>	\$ <u>115771</u>
Cash -----		<u>3773</u>	<u>4474</u>
Customer Accounts Receivable (141) -----		<u>4764</u>	<u>4957</u>
Other Assets (Specify): -----			
-----			
Security Dep -----		<u>100</u>	<u>100</u>
Deferred -----		<u>5931</u>	<u>2504</u>
Total Assets -----		\$ <u><u>145628</u></u>	\$ <u><u>127806</u></u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	<u>600</u>	<u>600</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>14400</u>	<u>14400</u>
Retained Earnings (215) -----	F-6	<u>-16212</u>	<u>-101651</u>
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ <u>-86651</u>	\$ <u>-86651</u>
Long Term Debt (224) -----	F-6	\$ <u>14698</u>	\$ <u>9865</u>
Accounts Payable (231) -----		<u>128890</u>	<u>128890</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Loan stockholders -----		<u>7200</u>	<u>7200</u>
A/P Rodney Davis -----		<u>2338</u>	
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8		<u>51056</u>
Total Liabilities and Capital -----		\$ <u><u>151914</u></u>	\$ <u><u>110360</u></u>

UTILITY NAME Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>144391</u>	\$ <u>230918</u>	\$ _____	\$ <u>375309</u>
Construction Work in Progress (105) _____ Additions	<u>26323</u>	_____	_____	<u>26323</u>
Other (Specify) Retirements	<u>9719</u>	_____	_____	<u>9719</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>160995</u>	\$ <u>230918</u>	\$ _____	\$ <u>391913</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>89669</u>	\$ <u>169869</u>	\$ _____	\$ <u>259538</u>
Error prior yr	_____	<u>1</u>	_____	<u>1</u>
Add Credits During Year:		<u>169870</u>		<u>259539</u>
Accruals charged to depreciation account _____	\$ _____	\$ <u>4303</u>	\$ _____	\$ <u>4303</u>
Salvage _____ meters scrapped	<u>450</u>	_____	_____	<u>450</u>
Other Credits (specify) _____	<u>5715</u>	_____	_____	<u>5715</u>
Total Credits _____	\$ <u>6165</u>	\$ <u>4303</u>	\$ _____	\$ <u>10468</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ <u>9033</u>	\$ _____	\$ _____	\$ <u>9033</u>
Cost of removal _____	<u>120</u>	_____	_____	<u>120</u>
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ <u>9153</u>	\$ _____	\$ _____	\$ <u>9153</u>
Balance End of Year _____	\$ <u>86680</u>	\$ <u>174173</u>	\$ _____	\$ <u>260853</u>

UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT DECEMBER 31,
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CAPITAL STOCK ( 201 - 204 )

	Common Stock	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 _____	_____	_____

RETAINED EARNINGS ( 215 )

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ -101651
Changes during the year (Specify): _____	_____	-16212
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ -117863

PROPRIETARY CAPITAL ( 218 )

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

LONG TERM DEBT ( 224 )

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
River Greens (still cannot pay back)	3%	_____	\$ 128890
_____	_____	_____	_____
_____	_____	_____	_____
Total _____	_____	_____	\$ _____

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

**TAX EXPENSE**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	733	244	_____	977
Regulatory assessment fee _____	3052	1843	_____	4895
Other (Spe County _____	300	100	_____	400
DEP _____	500	_____	_____	500
<b>Total Tax Expense _____</b>	<b>\$ 4585</b>	<b>\$ 2187</b>	<b>\$ _____</b>	<b>\$ 6772</b>

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Damon Utilities, Inc

<b>YEAR OF REPORT</b> <b>DECEMBER 31, 2011</b>
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**CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )**

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 68906	\$ 66004	\$ 134910
2) Add credits during year _____	\$ 914	\$ 276	\$ 1190
3) Total _____	69820	66280	136100
4) Deduct charges during the year _____			
5) Balance end of year _____			
6) Less Accumulated Amortization _____	50415	37084	87499
7) Net CIAC _____	\$ 19405	\$ 29196	\$ 48601

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

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
N/A _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Meter install	2	\$ 155	\$ 310
Main extension	2	228	456
Plant Capacity	2	74	148
Main extension	2	138	276
Total Credits During Year (Must agree with line # 2 above.) _____		\$ 914	\$ 276

**ACCUMULATED AMORTIZATION OF CIAC (272)**

	Water	Wastewater	Total
Balance First of Year _____	\$ 47998	\$ 35856	\$ 83854
Add Debits During Year: _____	2417	1228	3645
Deduct Credits During Year: _____			
Balance End of Year (Must agree with line #6 above.) _____	\$ 50415	\$ 37084	\$ 87499

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

UTILITY NAME: Damon Utilities Inc.  
47 W. Lake Damon Dr.  
Avon Park, FL 32825

YEAR OF REPORT  
 DECEMBER 31, \_\_\_\_\_

**SCHEDULE "A"**

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

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

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

**APPROVED AFUDC RATE**

Current Commission approved AFUDC rate: _____ %
Commission Order Number approving AFUDC rate: _____



**WATER  
OPERATING  
SECTION**

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 6226	\$ _____	\$ _____	\$ 6226
302	Franchises_____	_____	_____	_____	_____
303	Land and Land Rights_____	_____	_____	_____	_____
304	Structures and Improvements_____	4656	1135	851	4940
305	Collecting and Impounding Reservoirs_____	_____	_____	_____	_____
306	Lake, River and Other Intakes_____	_____	_____	_____	_____
307	Wells and Springs_____	7576	17552	3140	21988
308	Infiltration Galleries and Tunnels_____	_____	_____	_____	_____
309	Supply Mains_____	1126	_____	_____	1126
310	Power Generation Equipment_____	12739	_____	_____	12739
311	Pumping Equipment_____	10178	6722	5042	11858
320	Water Treatment Equipment_____	10105	914	686	10333
330	Distribution Reservoirs and Standpipes_____	_____	_____	_____	_____
331	Transmission and Distribution Lines_____	55333	_____	_____	55333
333	Services_____	_____	_____	_____	_____
334	Meters and Meter Installations_____	33792	_____	_____	33792
335	Hydrants_____	_____	_____	_____	_____
336	Backflow Prevention Devices_____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
340	Office Furniture and Equipment_____	_____	_____	_____	_____
341	Transportation Equipment_____	_____	_____	_____	_____
342	Stores Equipment_____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment_____	2660	_____	_____	2660
344	Laboratory Equipment_____	_____	_____	_____	_____
345	Power Operated Equipment_____	_____	_____	_____	_____
346	Communication Equipment_____	_____	_____	_____	_____
347	Miscellaneous Equipment_____	_____	_____	_____	_____
348	Other Tangible Plant_____	_____	_____	_____	_____
	Total Water Plant_____	\$ 144391	\$ 26323	\$ 9719	\$ 160995

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
	Organization				-3825		-156	-3981
304	Structures and Improvements		%	%	\$ -3193	\$ 971	\$ -178	\$ -2399
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%	-344	3140	-547	2249
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%	-620		-35	-656
310	Power Generating Equipment		%	%	-8321		-749	-9070
311	Pumping Equipment		%	%	-4294	5042	-648	99
320	Water Treatment Equipment		%	%	-10105		Full dep	-10105
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%	-32478		-1455	-33933
333	Services		%	%				
334	Meter & Meter Installations		%	%	-23788		-2437 *	-26225
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%	-2700		Full dep 40	-2660
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ -89669	\$ 9153	\$ -6165	\$ -86680

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

**WATER OPERATION AND MAINTENANCE EXPENSE**

\* REVISED

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 0
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	0
604	Employee Pensions and Benefits	6643
610	Purchased Water	0
615	Purchased Power	3166
616	Fuel for Power Production	0
618	Chemicals	4629
620	Materials and Supplies	222
630	Contractual Services:	
	Billing	0
	Professional	1044
	Testing	3104
	Other	37646
640	Rents	3000
650	Transportation Expense	1971
655	Insurance Expense	1325
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	3302
670	Bad Debt Expense	
675	Miscellaneous Expenses	2331
	Total Water Operation And Maintenance Expense	\$ 68383

\* This amount should tie to Sheet F-3.

**WATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
<b>Residential Service</b>					
5/8"	D	1.0	279	281	281
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
<b>General Service</b>					
5/8"	D	1.0	2	2	2
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
<b>** D = Displacement C = Compound T = Turbine</b>			<b>Total</b>		
			<u>283</u>	<u>283</u>	<u>283</u>

UTILITY NAME: \_\_\_\_\_ Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2011
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [ (b)+(c)-(d) ] (e)	Water Sold To Customers (Omit 000's) (f)
January _____	0	883	-44	927	927
February _____	0	849	-36	885	885
March _____	0	1099	169	930	930
April _____	0	672	-244	916	916
May _____	0	1039	214	825	825
June _____	0	727	-78	805	805
July _____	0	691	21	669	669
August _____	0	775	-43	818	818
September _____	0	767	58	710	710
October _____	0	796	42	754	754
November _____	0	782	7	776	776
December _____	0	895	75	820	820
Total for Year _____	0	9975	141	9835	9835

If water is purchased for resale, indicate the following:

Vendor \_\_\_\_\_  
Point of delivery \_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC _____	6"	825 LF	_____	_____	825 LF
PVC _____	4"	7782 LF	_____	_____	7782 LF
PVC _____	2"	3410 LF	_____	_____	3410 LF
PVC _____	1"	160 LF	_____	_____	160 LF
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: \_\_\_\_\_ Damon Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2011

SYSTEM NAME: \_\_\_\_\_

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	2011	1987	_____	_____
Types of Well Construction and Casing _____	Steel & Concrete	Steel & Concrete	_____	_____
Depth of Wells _____	500	500	_____	_____
Diameters of Wells _____	4"	4"	_____	_____
Pump - GPM _____	90	90	_____	_____
Motor - HP _____	5 HP	7 1/2 HP	_____	_____
Motor Type * _____	Sub.	Sub.	_____	_____
Yields of Wells in GPD _____	130,000	130,000	_____	_____
Auxiliary Power _____	Generator	Generator	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	1 Steel tank	for both	_____	_____
Capacity of Tank _____	2000	_____	_____	_____
Ground or Elevated _____	Ground	_____	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>	2011	2008		
Manufacturer _____	Schaefer	Franklin	_____	_____
Type _____	Sub	Sub	_____	_____
Rated Horsepower _____	5 HP	7 1/2 HP	_____	_____
<b>Pumps</b>				
Manufacturer _____	Schaefer	Schaefer	_____	_____
Type _____	Sub	Sub	_____	_____
Capacity in GPM _____	90 Series	90 Series	_____	_____
Average Number of Hours Operated Per Day _____	3 to 4	3 to 4	_____	_____
Auxiliary Power _____	Generator	Generator	_____	_____

UTILITY NAME: \_\_\_\_\_ Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2011
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**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day _____	145,000	_____	_____
Type of Source _____	2 deep wells	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type _____	Wallace/Tierman	_____	_____
Make _____	V-100	_____	_____
Permitted Capacity (GPD) _____	130,000	_____	_____
High service pumping Gallons per minute _____	_____	_____	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment Unit Rating _____	_____	_____	_____
Filtration Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection Chlorinator _____	Liquid	_____	_____
Ozone _____	_____	_____	_____
Other _____	_____	_____	_____
Auxiliary Power _____	Generator	_____	_____

UTILITY NAME: Damon Utilities Inc.  
47 W. Lake Damon Dr.  
SYSTEM NAME: Avon Park, FL 32825

YEAR OF REPORT  
DECEMBER 31, 2011

**GENERAL WATER SYSTEM INFORMATION**

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

1. Present ERC's \* the system can efficiently serve. \_\_\_\_\_ 283  
which can be served. \_\_\_\_\_ 294
3. Present system connection capacity (in ERCs \*) using existing lines. \_\_\_\_\_
4. Future connection capacity (in ERCs \*) upon service area buildout. \_\_\_\_\_
5. Estimated annual increase in ERCs \*. \_\_\_\_\_ 2
6. Is the utility required to have fire flow capacity? \_\_\_\_\_ No  
If so, how much capacity is required? \_\_\_\_\_
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
\_\_\_\_\_  
\_\_\_\_\_
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, submit the following:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? \_\_\_\_\_
  - c. When will construction begin? \_\_\_\_\_
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? \_\_\_\_\_
11. Department of Environmental Protection ID # \_\_\_\_\_ 6284078
12. Water Management District Consumptive Use Permit # N/A
  - a. Is the system in compliance with the requirements of the CUP? \_\_\_\_\_
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: Damon Utilities, Inc.

YEAR OF REPORT  
DECEMBER 31, 2011

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ 17504	\$ _____	\$ _____	\$ 17504
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	_____	_____	_____	_____
354	Structures and Improvements_____	2250	_____	_____	2250
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	17337	_____	_____	17337
361	Collection Sewers - Gravity_____	62008	_____	_____	62008
362	Special Collecting Structures_____	_____	_____	_____	_____
363	Services to Customers_____	_____	_____	_____	_____
364	Flow Measuring Devices_____	_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____	_____
370	Receiving Wells_____	7048	_____	_____	7048
371	Pumping Equipment_____	_____	_____	_____	_____
380	Treatment and Disposal Equipment_____	5000 89406	_____	_____	5000 89406
381	Plant Sewers_____	8131	8	_____	8139
382	Outfall Sewer Lines_____	21652	_____	_____	21652
389	Other Plant and Miscellaneous Equipment_____	_____	_____	_____	_____
390	Office Furniture and Equipment_____	_____	_____	_____	_____
391	Transportation Equipment_____	_____	_____	_____	_____
392	Stores Equipment_____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment_____	574	_____	_____	574
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____	_____
398	Other Tangible Plant Error prior year	0	_____	_____	_____
	Total Wastewater Plant_____	\$ 230910	\$ 8	\$ _____	\$ 230918 *

\* This amount should tie to sheet F-5.

ME: Damon Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2011
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**ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER**

Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
Organization				-10777		-438	-11215
Structures and Improvements		%	%	\$ -969	\$	\$ -83	\$ -1052
Power Generation Equipment		%	%				
Collection Sewers - Force		%	%	-12267		-641	-12908
Collection Sewers - Gravity		%	%	-30557		-1551	-32108
Special Collecting Structures		%	%				
Services to Customers		%	%				
Flow Measuring Devices		%	%				
Flow Measuring Installations		%	%				
Receiving Wells		%	%	-1661		-282	-1943
Pumping Equipment		%	%				
Treatment and Disposal				-1078		-334	-1412
Equipment		%	%	-89072			-89072 full
Plant Sewers		%	%	-4825		-354	-5179
Outfall Sewer Lines		%	%	-17932		-721	-18653
Other Plant and Miscellaneous							
Equipment		%	%				
Office Furniture and							
Equipment		%	%				
Transportation Equipment		%	%				
Stores Equipment		%	%				
Tools, Shop and Garage							
Equipment		%	%	-632			-632
Laboratory Equipment		%	%				
Power Operated Equipment		%	%				
Communication Equipment		%	%				
Miscellaneous Equipment		%	%				
Other Tangible Plant		%	%				
Totals				\$ -169870	\$	\$ -4303	\$ -174173 *

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 0
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	0
704	Employee Pensions and Benefits	2222
710	Purchased Wastewater Treatment	0
711	Sludge Removal Expense	2628
715	Purchased Power	2497
716	Fuel for Power Production	0
718	Chemicals	1543
720	Materials and Supplies	0
730	Contractual Services:	
	Billing	0
	Professional	303
	Testing	3404
	Other	15687
740	Rents	2100
750	Transportation Expense	663
755	Insurance Expense	441
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	1968
770	Bad Debt Expense	0
775	Miscellaneous Expenses	2268
	<b>Total Wastewater Operation And Maintenance Expense</b>	<b>\$ 35724</b>

\* This amount should tie to Sheet F-3.

**WASTEWATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Equivalent Customers (c x e) (f)
			Start of Year (d)	End of Year (e)	
<b>Residential Service</b>					
All meter sizes	D	1.0	100	102	102
<b>General Service</b>					
5/8"	D	1.0	2	2	2
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
<b>** D = Displacement C = Compound T = Turbine</b>			<b>Total</b>	<b>102</b>	<b>104</b>

UTILITY NAME: \_\_\_\_\_ Damon Utilities, Inc

YEAR OF REPORT  
DECEMBER 31, 201

**PUMPING EQUIPMENT**

Lift Station Number _____	1	2	3	_____	_____
Make or Type and nameplate Pumps in ea data on pump _____	2 Barnes	2	2	_____	_____
Year installed _____	2004	1994	1989	_____	_____
Rated capacity _____	190 gpm	117 gpm	117 gpm	_____	_____
Size _____	2-3 HP	3 HP	3 HP	_____	_____
Power:	_____	_____	_____	_____	_____
Electric _____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____

**SERVICE CONNECTIONS**

Size (inches) _____	6"	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	_____	_____	_____	_____
Average length _____	30'	_____	_____	_____	_____
Number of active service connections _____	_____	_____	_____	_____	_____
Beginning of year _____	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____
End of year _____	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains		
	8"	_____	_____	_____	6"	4"	2"
Size (inches) _____	8"	_____	_____	_____	6"	4"	2"
Type of main _____	PVC	_____	_____	_____	PVC	PVC	PVC
Length of main (nearest foot) _____	3424	_____	_____	_____	900	1750	2900
Beginning of year _____	3424	_____	_____	_____	900	1750	2900
Added during year _____	_____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____	_____
End of year _____	3424	_____	_____	_____	900	1750	2900

**MANHOLES**

Size (inches) _____	36"	_____	36"	_____
Type of Manhole _____	Concret	_____	Conc	_____
Number of Manholes:	_____	_____	_____	_____
Beginning of year _____	10	_____	4	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	10	_____	4	_____

UTILITY NAME: \_\_\_\_\_ Damon Utilities, Inc

YEAR OF REPORT DECEMBER 31, 2011
-------------------------------------

SYSTEM NAME: \_\_\_\_\_

**TREATMENT PLANT**

Manufacturer_____	Davco Defiance_____	_____	_____
Type_____	6131.73_____	_____	_____
"Steel" or "Concrete"_____	Concrete_____	_____	_____
Total Permitted Capacity_____	50,000 gal_____	_____	_____
Average Daily Flow_____	7294_____	_____	_____
Method of Effluent Disposal_____	Drainfield after sludge_____	_____	_____
Permitted Capacity of Disposal_____	removal_____	_____	_____
Total Gallons of Wastewater treated_____	_____	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer_____	_____	_____	_____	_____	_____	_____
Capacity (GPM's)_____	_____	_____	_____	_____	_____	_____
Motor:						
Manufacturer_____	_____	_____	_____	_____	_____	_____
Horsepower_____	_____	_____	_____	_____	_____	_____
Power (Electric or Mechanical)_____	_____	_____	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	299,000_____	_____	_____
February_____	278,000_____	_____	_____
March_____	270,000_____	_____	_____
April_____	256,000_____	_____	_____
May_____	206,000_____	_____	_____
June_____	205,000_____	_____	_____
July_____	172,000_____	_____	_____
August_____	184,000_____	_____	_____
September_____	183,000_____	_____	_____
October_____	204,000_____	_____	_____
November_____	221,000_____	_____	_____
December_____	226,000_____	_____	_____
Total for year_____	2,704,000_____	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: \_\_\_\_\_

SYSTEM NAME: \_\_\_\_\_

GENERAL WASTEWATER SYSTEM INFORMATION

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

- 1. Present number of ERCs\* now being served. \_\_\_\_ 26.46 (using (b) method below
- 2. Maximum number of ERCs\* which can be served. \_\_\_\_ 179
- 3. Present system connection capacity (in ERCs\*) using existing lines. \_\_\_\_ 179
- 4. Future connection capacity (in ERCs\*) upon service area buildout. \_\_\_\_\_
- 5. Estimated annual increase in ERCs\*. \_\_\_\_ 2

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known.

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? \_\_\_\_ No

If so, when? \_\_\_\_\_

9. Has the utility been required by the DEP or water management district to implement reuse? \_\_\_\_ No

If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_

10. When did the company last file a capacity analysis report with the DEP? \_\_\_\_\_

11. If the present system does not meet the requirements of DEP rules, submit the following:

- a. Attach a description of the plant upgrade necessary to meet the DEP rules.
- 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? \_\_\_\_\_

12. Department of Environmental Protection ID # \_\_\_\_ FLA 014334

\* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

Damon Utilities Inc.  
47 W. Lake Damon Dr.  
Avon Park, FL 33825

UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2011

### CERTIFICATION OF ANNUAL REPORT

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

- YES  NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.
- YES  NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES  NO

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

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1/  2/  3/  4/

*Andrew L. Davis*  
(signature of chief executive officer of the utility)

Date: 4/30/12

1.  2.  3.  4.

\_\_\_\_\_  
(signature of chief financial officer of the utility)

Date: \_\_\_\_\_

\* 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.

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations  
Class C**

Company: Damon Utilities Inc  
For the Year Ended December 31, 2011

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 65,889	\$ 65,889	\$ 0
Commercial	916	916	0
Industrial			
Multiple Family			
Guaranteed Revenues			
Other	1,023	1,023	0
<b>Total Water Operating Revenue</b>	<b>\$ 67,828</b>	<b>\$ 67,828</b>	<b>\$ 0</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>			
<b>Net Water Operating Revenues</b>	<b>\$ 67,828</b>	<b>\$ 67,826</b>	<b>\$ 2</b>

Explanations:

**Instructions:**

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations  
Class C**

Company: Damon Utilities, Inc  
For the Year Ended December 31, 2011

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 38566	\$ 38566	\$ 0
Commercial	2281	2281	0
Industrial			
Multiple Family			
Guaranteed Revenues			
Other	105	105	0
<b>Total Wastewater Operating Revenue</b>	<b>\$ 40952</b>	<b>\$ 40952</b>	<b>\$ 0</b>
<b>LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility</b>			
<b>Net Wastewater Operating Revenues</b>	<b>\$ 40952</b>	<b>\$ 40952</b>	<b>\$ 0</b>

Explanations:

**Instructions:**

For the current year, reconcile the gross wastewater revenues reported on Schedule F-3 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).