

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WU193-06-AR Placid Lakes Utilities, Inc. 410 Washington Blvd., NW Lake Placid, FL 33852-6779

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

* 3S or NO. Each item need not be certified by both being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTIONdes that any person who knowingly makes a false statement in islead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

CERTIFICATION OF ANNUAL REPORT

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seing certified by the officer should be indicated in the appropriate area to the left of the signature.

ANNUAL REPORT OF

YEAR OF REPORT
December 31,2006

| PLACID LAKES U | | | Co | unty: Highl | ands |
|---|--|---------------------------------------|----------------------------|---------------------------------------|------------------|
| | (Exact Name of Utility) | | | | |
| List below the exac | at mailing address of the utility for whi | ich normal cor | respondence should be sent | : | |
| 410 | Washington Boulevard NW | | | | |
| | Placid, FL 33852-6779 | | | | |
| | | | | · | |
| Telephone: | 863-465-0345 | | | | |
| E Mail Address: | plcomm@earthlink.net | · · · · · · · · · · · · · · · · · · · | | | |
| WEB Site: | | | | | |
| Sunshine State On | e-Call of Florida, Inc. Member Numbe | er | PL1020 | | |
| Name and address | of person to whom correspondence con | ncerning this r | eport should be addressed: | | |
| | Ann Brewer | | | | |
| | ashington Boulevard NW | | | | |
| | Placid, FL 33852-6779 | | | | |
| Telephone: 863-46 | 55-0345 | | , | | |
| List below the add | ress of where the utility's books and rec | cords are locat | ed: | | |
| 410 W | ashington Boulevard NW | | | | |
| | Placid, FL 33852-6779 | | | | |
| | | | | | |
| Telephone: | | | | | |
| | the state of the | 1 | | | |
| List below any gro | ups auditing or reviewing the records a | and operations | : | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Date of original or | ganization of the utility: | June 11 | , 1970 | | |
| | | | | | |
| Check the appropr | iate business entity of the utility as file | d with the Inte | ernal Revenue Service | | |
| | | | | | |
| Indivi | dual Partnership Sub S Co | - | 1120 Corporation | | |
| <u> </u> | | | X | | |
| List below every confidence of the utility: | orporation or person owning or holding | g directly or in | directly 5% or more of the | voting securiti | es |
| or the domey. | | | | | Percent |
| | Ŋ | Name | | | <u>Ownership</u> |
| 1. | LAKE PLACID HOLDING COMPA | NY | | | 100% |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | - Constitution of the Cons | | | · · · · · · · · · · · · · · · · · · · | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| 10. | | | | | |

| YEAR | OF | REPORT |
|------|------|--------|
| 3 | I-De | -c-06 |

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

| NAME OF COMPANY REPRESENTATIVE (1) | TITLE OR POSITION (2) | ORGANIZATIONAL UNIT TITLE (3) | USUAL PURPOSE FOR CONTACT WITH FPSC |
|--|-----------------------------|-------------------------------------|---|
| | | Rutledge, Ecenia, | 850-681-6788 |
| Ken Hoffman | Attorney | Et al Gustella & | Legal 561-747-9867 |
| | Emainaan | Associates | Rate Case |
| John Guastella | Engineer Vice President | Placid Lakes | Financial |
| Danasa Asia Danasa | Secretary | Utilities, Inc. | Reporting |
| Peggy Ann Brewer | Secretary | Larry P. King, | Financial |
| Lowe D Vina | СРА | CPA | Reporting |
| Larry P. King | CFA | CIA | Reporting |
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- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

31-Dec-06

COMPANY PROFILE

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

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

Placid Lakes Utilities, Inc. has served the subdivision of Placid Lakes since 1970. Our goal is to provide the best quality of water and service to our customers. Growth this past year was 101 new services, which is in line with what we anticipated. Based on the current trends in real estate, we expect to see the same or fewer services in 2007. We have had to cut back on the meter replacement program due to lack of funding. The valve location and flushing program is progressing. We continue to consistantly lose money at the current rates, and will of necessity be looking for a rate case in the near future.

PARENT / AFFILIATE ORGANIZATION CHART

| 2006 | | | | | | | |
|---|--|--|--|--|--|--|--|
| subsidiaries and affiliates of the utility. and affiliates listed on E-7, E-10(a) and E-10(b). | | | | | | | |
| Parent Company LAKE PLACID HOLDING COMPANY | | | | | | | |
| MARKETING ASSOCIATES GROUP Subsidary | | | | | | | |
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COMPENSATION OF OFFICERS

| NAME (a) | TITLE (b) | % OF TIME SPENT AS OFFICER OF THE UTILITY (c) | OFFICERS' COMPENSATION (d) |
|------------------|-----------------------------|---|----------------------------------|
| Laura Elowsky | President | 5 | \$ 10,000 |
| Peggy Ann Brewer | Vice President Secretary | 70 | 10,000 |
| Larry P. King | Treasurer | 25 | 10,000 |
| | | | |
| | | | |
| | | | |
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COMPENSATION OF DIRECTORS

| NAME (a) | TITLE (b) | NUMBER OF DIRECTORS' MEETINGS ATTENDED (c) | DIRECTORS' COMPENSATION (d) | | | |
|------------------|--------------|--|-----------------------------------|--|--|--|
| Laura Elowsky | Director | 12 | \$0 | | | |
| Peggy Ann Brewer | Director | 12 | | | | |
| Larry P. King | Director | 12 | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

| NAME OF OFFICER, DIRECTOR OR AFFILIATE | IDENTIFICATION OF SERVICE OR PRODUCT | AMOUNT | NAME AND ADDRESS OF AFFILIATED ENTITY |
|--|--------------------------------------|--------|---|
| (a) | (b) | (c) | (d) |
| NONE | | \$ | |
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^{*} Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

| | PRINCIPLE OCCUPATION | | NAME AND ADDRESS |
|------------------|----------------------------|-------------------------------|---|
| NAME | OR BUSINESS AFFILIATION | AFFILIATION OR CONNECTION | OF AFFILIATION OR CONNECTION |
| (a) | (b) | (c) | (d) |
| | , | Lake Placid | 410 Washington |
| Laura Elowsky | President Vice President | Holding Company Lake Placid | Blvd. NW, LP, FL 410 Washington |
| D 4 D | | | |
| Peggy Ann Brewer | Secretary | Holding Company Larry P. King | Blvd. NW, LP, FL 14816 Hartford Run Dr |
| Larry P. King | Owner | CPA | Orlando, FL 32878 |
| Larry F. Killg | Owner | CIA | Orlando, 1 E 32876 |
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PLACID LAKES UTILITIES, INC.

UTILITY NAME:

YEAR OF REPORT 31-Dec-06

BUSINESSES WHICH ARE A BY-PRODUCT, COPRODUCT OR JOINT-PRODUCT RESULT OF PROVIDING WATER OR WASTEWATER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct, or joint product as a result of providing water and / or wastewater service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenue and expenses segregated out as nonutility also.

| Ş | ACCOUNT NUMBER (g) | | | | | | | | | | |
|----------|--------------------------------------|-----|--|--|--|--|--|--|--|--|--|
| EXPENSES | EXPENSES INCURRED (f) | \$ | | | | | | | | | |
| S | ACCOUNT NUMBER (e) | | | | | | | | | | |
| KEVENUES | REVENUES GENERATED (d) | \$ | | | | | | | | | |
| | ACCOUNT NUMBER (c) | | | | | | | | | | |
| ASSETS | BOOK COST OF ASSETS (b) | \$ | | | | | | | | | |
| | BUSINESS OR SERVICE CONDUCTED (a) | N/A | | | | | | | | | |

31-Dec-06

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any on year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6, identifying the parties, amounts, dates and product, and asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

- 1. Enter in this part all transactions involving services and products received or provided.
 - 2. Below are some types of transactions to include:

-management, legal and accounting services

-material and supplies furnished

-computer services

-leasing of structures, land, and equipment

-engineering & construction services

-rental transactions

-repairing and servicing of equipment

-sale, purchase or transfer of various products

| | DESCRIPTION | CONTRACT OR | ANNUAL CHARGES | | | | | | |
|--|--|-------------------------------------|------------------------------|---------------|--|--|--|--|--|
| NAME OF COMPANY OR RELATED PARTY (a) | SERVICE AND/OR NAME OF PRODUCT (b) | AGREEMENT EFFECTIVE DATES (c) | (P)urchased (S)old (d) | AMOUNT (e) | | | | | |
| Lake Placid Holding Co | Management | 1/1/2006 to 12/31/2006 | Р | \$31,500 | | | | | |
| Lake Placid Holding Co | Storage Rent | 1/1/2006 to 12/31/2006 | P | 11,700.00 | | | | | |
| Lake Placid Holding Co | Office Rent | 1/1/2006 to 12/31/2006 | P | 6,019 | | | | | |
| | | | | | | | | | |
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31-Dec-06 YEAR OF REPORT

> PLACID LAKES UTILITIES, INC. UTILITY NAME:

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

The columnar instructions follow: to the purchase, sale, or transfer of assets. Enter in this part all transactions relating

Below are examples of some types of transactions to inclu(b) Describe briefly the type of assets purchased, sold or transferred. (a) Enter name of related party or company. -purchase, sale or transfer of equipment

(c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".

-purchase, sale or transfer of land and structures

(d) Enter the net book value for each item reported.

(e) Enter the net profit or loss for each item reported. (column (c) - column (d)) -purchase, sale or transfer of securities -noncash transfers of assets

(f) Enter the fair market value for each item reported. In space below or in a supplemental dends schedule, describe the basis used to calculate fair market value.

-noncash dividends other than stock dividends

-write-off of bad debts or loans

| FAIR MARKET VALUE (f) | | |
|--|----|--|
| GAIN OR LOSS | s | |
| NET BOOK VALUE (d) | ₩ | |
| SALE OR PURCHASE PRICE (c) | ss | |
| DESCRIPTION OF ITEMS (b) | | |
| NAME OF COMPANY OR RELATED PARTY (a) | | |

FINANCIAL SECTION

PLACID LAKES UTILITIES, INC.

UTILITY NAME:

COMPARATIVE BALANCE SHEET ASSETS AND OTHER DEBITS

| ACCT. | ACCOUNT NAME | REF. PAGE | | PREVIOUS YEAR | | CURRENT YEAR |
|------------|---|--|--|--|--|---------------------------------------|
| NO. | ACCOUNT NAME | 1 | | | l | |
| (a) | (b) UTILITY PLANT | (c) | | (d) | - | (e) |
| 101-106 | Utility Plant | F-7 | \$ | 2,430,547 | \$ | 2,595,492 |
| 108-110 | Less: Accumulated Depreciation and Amortization | F-8 | " | 895,798 | " | 984,030 |
| 100-110 | 1033. Recultificated Depresention and Information | 10 | | 0,0,7,0 | | 70.,030 |
| | Net Plant | | \$ _ | 1,534,749 | \$ | 1,611,462 |
| 114-115 | Utility Plant Acquisition adjustment (Net) | F-7 | | | | |
| 116 * | Other Utility Plant Adjustments | <u> </u> | | | | |
| | Total Net Utility Plant | | \$ _ | 1,534,749 | s | 1,611,462 |
| | OTHER PROPERTY AND INVESTMENTS | | | | | |
| 121 | Nonutility Property | F-9 | \$ | 55,553 | \$ | 55,553 |
| 122 | Less: Accumulated Depreciation and Amortization | | | -38,885 | | -41,107 |
| | Net Nonutility Property | | \$ | 16,668 | \$ | 14,446 |
| 123 | Investment In Associated Companies | F-10 | 1 | | | |
| 124 | Utility Investments | F-10 | 1 - | | l | ***** |
| 125 | Other Investments | F-10 | - | | I - | |
| 126-127 | Special Funds | F-10 | 1 - | | l | |
| | Total Other Property & Investments | | \$ | 16,668 | \$ | 14,446 |
| | CURRENT AND ACCRUED ASSETS | | | | | |
| 131 | Cash | | \$ | 61,199 | \$ | 35,440 |
| 132 | Special Deposits | F-9 | l _ | | | |
| 133 | Other Special Deposits | F-9 | | | <u> </u> | |
| 134 | Working Funds | | | | l | |
| 135 | Temporary Cash Investments | | I — | | | |
| 141-144 | Accounts and Notes Receivable, Less Accumulated | г.11 | | 52.765 | | 50 172 |
| 145 | Provision for Uncollectible Accounts | F-11 F-12 | — | 53,765 | — | 58,173 |
| 145 146 | Accounts Receivable from Associated Companies Notes Receivable from Associated Companies | F-12 F-12 | l — | | | ····· |
| 151-153 | Material and Supplies | F-12 | l — | 58,803 | | 51,744 |
| 151-155 | Stores Expense | <u> </u> | - | 30,003 | l | 31,744 |
| 162 | Prepayments | } | - | 11,161 | - | 9,693 |
| 171 | Accrued Interest and Dividends Receivable | | l — | 11,101 | l — | 2,023 |
| 172 * | Rents Receivable | | l — | | - | · · · · · · · · · · · · · · · · · · · |
| 173 * | Accrued Utility Revenues | | _ | | - | |
| 174 | Misc. Current and Accrued Assets | F-12 | 1 — | | - | |
| 1/7 | 1-1410. Culture area / 1001 and / 100000 | | | ************************************** | | |
| | Total Current and Accrued Assets | | \$_ | 184,928 | \$ | 155,050 |

^{*} Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET **ASSETS AND OTHER DEBITS**

| ACCT. NO. | ACCOUNT NAME | REF. PAGE | PREVIOUS YEAR | CURRENT YEAR |
|--------------|---|--------------|---------------------|-----------------|
| (a) | (b) | (c) | (d) | (e) |
| 181 | DEFERRED DEBITS Unamortized Debt Discount & Expense | F-13 | \$ | \$ |
| 182 | Extraordinary Property Losses | F-13 | <u></u> | Ψ |
| 183 | Preliminary Survey & Investigation Charges | | | |
| 184 | Clearing Accounts | | | |
| 185 * | Temporary Facilities | | | |
| 186 | Misc. Deferred Debits | F-14 | 11,100 | 0 |
| 187 * | Research & Development Expenditures | | | |
| 190 | Accumulated Deferred Income Taxes | | | |
| | Total Deferred Debits | \$11,100 | \$0 | |
| | TOTAL ASSETS AND OTHER DEBITS | \$1,747,445 | \$ <u>1,780,958</u> | |

^{*} Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

COMPARATIVE BALANCE SHEET EQUITY CAPITAL AND LIABILITIES

| ACCT. NO. | ACCOUNT NAME | REF. PAGE | | PREVIOUS YEAR | | CURRENT YEAR |
|--------------|---|--------------|------------|------------------|-----------|-----------------|
| (a) | (b) | (c) | | (d) | | (e) |
| | EQUITY CAPITAL | | | | | |
| 201 | Common Stock Issued | F-15 | \$_ | 500 | \$ | 500 |
| 204 | Preferred Stock Issued | F-15 | l _ | | l | |
| 202,205 * | Capital Stock Subscribed | | l _ | | <u> </u> | |
| 203,206 * | Capital Stock Liability for Conversion | | ļ _ | | I | |
| 207 * | Premium on Capital Stock | | l _ | | I | |
| 209 * | Reduction in Par or Stated Value of Capital Stock | | l _ | | l | |
| 210 * | Gain on Resale or Cancellation of Reacquired | | | | | |
| | Capital Stock | | _ | | | |
| 211 | Other Paid - In Capital | | l _ | 1,342,285 | | 1,342,285 |
| 212 | Discount On Capital Stock | | _ | | l | |
| 213 | Capital Stock Expense | | ! _ | | | |
| 214-215 | Retained Earnings | F-16 | _ | -1,611,079 | | -1,672,844 |
| 216 | Reacquired Capital Stock | _ | _ | | l | |
| 218 | Proprietary Capital | | | | l | |
| | (Proprietorship and Partnership Only) | <u></u> | | | ļ | |
| | Total Equity Capital | | \$_ | -268,294 | \$ | -330,059 |
| | LONG TERM DEBT | | | | | |
| 221 | Bonds | F-15 | | | 1 | |
| 222 * | Reacquired Bonds | | | | | |
| 223 | Advances from Associated Companies | F-17 | | 1,036,686 | | 969,686 |
| 224 | Other Long Term Debt | F-17 | | 9,480 | | 6,032 |
| | Total Long Term Debt | | \$_ | 1,046,166 | \$ | 975,718 |
| | CURRENT AND ACCRUED LIABILITIES | | | | | |
| 231 | Accounts Payable | | | 13,803 | | 4,612 |
| 232 | Notes Payable | F-18 | 1 - | | | |
| 233 | Accounts Payable to Associated Companies | F-18 | 1 - | | | 25,000 |
| 234 | Notes Payable to Associated Companies | F-18 | 1 - | | I = | |
| 235 | Customer Deposits | | 1 | 16,513 | | 13,364 |
| 236 | Accrued Taxes | W/S-3 | l – | | | |
| 237 | Accrued Interest | F-19 | | 23,208 | | 26,486 |
| 238 | Accrued Dividends | |] | | I | |
| 239 | Matured Long Term Debt | | | | | |
| 240 | Matured Interest | | | | | |
| 241 | Miscellaneous Current & Accrued Liabilities | F-20 | - | | | |
| | Total Current & Accrued Liabilities | | \$_ | 53,524 | \$ | 69,462 |

^{*} Not Applicable for Class B Utilities

COMPARATIVE BALANCE SHEET EQUITY CAPITAL AND LIABILITIES

| ACCT. | EQUIT CAITAL AIG | REF. | PREVIOUS | CURRENT |
|-------|--|------|-------------|---|
| NO. | ACCOUNT NAME | PAGE | YEAR | YEAR |
| (a) | (b) | (c) | (d) | (e) |
| () | DEFERRED CREDITS | (-) | | \-\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ |
| 251 | Unamortized Premium On Debt | F-13 | \$ | \$ |
| 252 | Advances For Construction | F-20 | 82,501 | 135,019 |
| 253 | Other Deferred Credits | F-21 | | |
| 255 | Accumulated Deferred Investment Tax Credits | | | |
| | Total Deferred Credits | | \$82,501 | \$ 135,019 |
| | OPERATING RESERVES | | | |
| 261 | Property Insurance Reserve | • | \$ | \$ |
| 262 | Injuries & Damages Reserve | | | |
| 263 | Pensions and Benefits Reserve | | | |
| 265 | Miscellaneous Operating Reserves | | | |
| | Total Operating Reserves | : | \$ | s |
| | CONTRIBUTIONS IN AID OF CONSTRUCTION | | | |
| 271 | Contributions in Aid of Construction | F-22 | \$1,442,879 | \$ 1,585,807 |
| 272 | Accumulated Amortization of Contributions | | | |
| | in Aid of Construction | F-22 | -609,331 | -654,989 |
| | Total Net C.I.A.C. | | \$833,548 | \$930,818 |
| 281 | ACCUMULATED DEFERRED INCOME TAXES Accumulated Deferred Income Taxes - Accelerated Depreciation | | \$ | \$ |
| 282 | Accumulated Deferred Income Taxes - Liberalized Depreciation | | | |
| 283 | Accumulated Deferred Income Taxes - Other | | | |
| | Total Accumulated Deferred Income T | ax | \$ | \$ |
| | TOTAL EQUITY CAPITAL AND LIABILITIES | | \$1,747,445 | \$1,780,958 |

COMPARATIVE OPERATING STATEMENT

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | | PREVIOUS YEAR (d) | (| CURRENT YEAR * (e) |
|---------------------|---|---------------------|----------|-------------------------|--------------|--------------------------|
| 400 469, 530 | UTILITY OPERATING INCOME Operating Revenues Less: Guaranteed Revenue and AFPI | F-3(b) F-3(b) | \$ | 542,545 46,582 | \$ | 574,890 37,872 |
| | Net Operating Revenues | | \$ | 495,963 | \$ | 537,018 |
| 401 | Operating Expenses | F-3(b) | \$ | 370,625 | \$ | 424,838 |
| 403 | Depreciation Expense: Less: Amortization of CIAC | F-3(b) F-22 | \$_ | 82,647 40,627 | \$ | 88,283 45,658 |
| | Net Depreciation Expense | | \$ | 42,020 | \$ | 42,625 |
| 406 | Amortization of Utility Plant Acquisition Adjustment | F-3(b) | | | | |
| 407 | Amortization Expense (Other than CIAC) | F-3(b) | | | | |
| 408 | Taxes Other Than Income | W/S-3 | | 66,852 | | 69,622 |
| 409 | Current Income Taxes | W/S-3 | l | | | 0 |
| 410.10 | Deferred Federal Income Taxes | W/S-3 | | | <u> </u> | 0 |
| 410.11 | Deferred State Income Taxes | W/S-3 | l | | . | 0 |
| 411.10 | Provision for Deferred Income Taxes - Credit | W/S-3 | l — | | l | 0 |
| 412.10 | Investment Tax Credits Deferred to Future Periods | W/S-3 | | | <u> </u> | 0 |
| 412.11 | Investment Tax Credits Restored to Operating Income | W/S-3 | ļ | | | 0 |
| | Utility Operating Expenses | | \$ | 479,497 | \$ | 537,085 |
| | Net Utility Operating Income | | \$ | 16,466 | \$ | -67 |
| 469, 530 | Add Back: Guaranteed Revenue and AFPI | F-3(b) | | 46,582 | | 37,872 |
| 413 | Income From Utility Plant Leased to Others | | l — | | | |
| 414 | Gains (losses) From Disposition of Utility Property | | | | | |
| 420 | Allowance for Funds Used During Construction | | | | | |
| Total Utility | Operating Income [Enter here and on Page F-3(c)] | | \$ | 63,048 | \$ | 37,805 |

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

| WATER SCHEDULE W-3 * (f) | WASTEWATER SCHEDULE S-3 * (g) | OTHER THAN REPORTING SYSTEMS (h) |
|--------------------------------|-------------------------------------|---|
| \$ 574,890 -37,872 | \$ | \$ |
| \$537,018 | \$ | \$ |
| \$ 424,838 | \$ | \$ |
| 88,283 45,658 | 0 | |
| \$\$42,625 42,625 | \$ | \$ |
| 69,622 | | |
| \$537,085 | \$ | \$ |
| \$ | \$ | \$ |
| 37,872 | | |
| \$37,805 | \$ | \$ |

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

| ACCT. NO. ACCOUNT NAME (a) (b) | | REF. PAGE (c) | P | PREVIOUS YEAR (d) | | CURRENT YEAR (e) |
|--------------------------------|---|---------------------|-------------|--|----------|------------------------|
| | | (6) | | | | |
| i otai Otilit | y Operating Income [from page F-3(a)] | : | \$ | 63,048 | \$ | 37,80 |
| | OTHER INCOME AND DEDUCTIONS | | | | | |
| 415 | Revenues-Merchandising, Jobbing, and | | ł | | | |
| | Contract Deductions | | \$ | | \$ | |
| 416 | Costs & Expenses of Merchandising | | l | | | |
| | Jobbing, and Contract Work | | ! | | | |
| 419 | Interest and Dividend Income | | | | l | |
| 421 | Nonutility Income | | | 18,020 | <u> </u> | 19,77 |
| 426 | Miscellaneous Nonutility Expenses | | | -15,214 | <u> </u> | -18,22 |
| | Total Other Income and Deductions | | \$ | 2,806 | \$ | 1,54 |
| | TAXES APPLICABLE TO OTHER INCOME | | | | | |
| 408.20 | Taxes Other Than Income | | \$ | ····· | \$ | |
| 409.20 | Income Taxes | | | | | |
| 410.20 | Provision for Deferred Income Taxes | | | | | |
| 411.20 | Provision for Deferred Income Taxes - Credit | | | | | |
| 412.20 | Investment Tax Credits - Net | | | | 1 | |
| 412.30 | Investment Tax Credits Restored to Operating Income | | | | | |
| | Total Taxes Applicable To Other Incom | ie | \$ | | \$ | |
| | INTEREST EXPENSE | | | | | |
| 427 | Interest Expense | F-19 | \$ | 107,985 | \$ | 101,11 |
| 428 | Amortization of Debt Discount & Expense | F-13 | | | | |
| 429 | Amortization of Premium on Debt | F-13 | | | | |
| | Total Interest Expense | | s | 107,985 | s | 101,11 |
| | EXTRAORDINARY ITEMS | | | *** *** *** *** *** *** *** *** *** ** | | |
| 433 | Extraordinary Income | | \$ | | \$ | |
| 434 | Extraordinary Deductions | | l | | l · | |
| 409.30 | Income Taxes, Extraordinary Items | | | | | |
| | Total Extraordinary Items | | \$ | | \$ | |
| | NET INCOME | | \$ | -42,131 | s | -61,76 |
| Explain Ext | raordinary Income: | | | | | |

SCHEDULE OF YEAR END RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | WATER UTILITY (d) | WASTEWATER UTILITY (e) |
|---------------------|---|---------------------|---------------------------------------|------------------------------|
| 101 | Utility Plant In Service | F-7 | \$ 2,595,492 | \$ |
| | Less: Nonused and Useful Plant (1) | | 385,762 | |
| 108 | Accumulated Depreciation | F-8 | 984,030 | 0 |
| 110 | Accumulated Amortization | F-8 | 0 | 0 |
| 271 | Contributions In Aid of Construction | F-22 | 1,585,807 | 0 |
| 252 | Advances for Construction | F-20 | | |
| | Subtotal | | \$360,107 | \$ |
| 272 | Add: Accumulated Amortization of Contributions in Aid of Construction | F-22 | 654.090 | 0 |
| | Contributions in Aid of Construction | F-22 | 654,989 | 0 |
| | Subtotal | | \$294,882 | \$ |
| | Plus or Minus: | | | |
| 114 | Acquisition Adjustments (2) | F-7 | · · · · · · · · · · · · · · · · · · · | |
| 115 | Accumulated Amortization of | | | |
| | Acquisition Adjustments (2) | F-7 | | <u> </u> |
| | Working Capital Allowance (3) | | 53,105 | |
| | Other (Specify): | 1 | | |
| | | - | | |
| | | - | | |
| | | 1 | | |
| | RATE BASE | | \$347,987 | \$ |
| | NET UTILITY OPERATING INCOME | | \$ | \$ |
| ACHI | IEVED RATE OF RETURN (Operating Income / Rate Ba | ase) | -0.02% | |

NOTES:

- (1) ogy used in the last rate proceeding.
- (2) s that have been approved by the Commission.
- (3) with last rate proceeding. 3, Class A utilities will use the Balance Sheet Method and One-eighth Operating and Maintenance Expense Method.

YEAR OF REPORT 31-Dec-06

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

| CLASS OF CAPITAL (a) | | DOLLAR MOUNT (2) (b) | PERCENTAGE OF CAPITAL (c) | ACTUAL COST RATES (3) (d) | WEIGHTED COST (c x d) (e) |
|--|------|----------------------------|---------------------------------|---------------------------------|------------------------------------|
| Common Equity Preferred Stock Long Term Debt Customer Deposits Tax Credits - Zero Cost Tax Credits - Weighted Cost Deferred Income Taxes Other (Explain) | \$\$ | 940,499 | 100.00% | 10.93 | 10.50% |
| Total | \$ | 595,994 | 100.00% | | 10.50% |

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

- (2) Should equal amounts on Schedule F-6, Column (g).
- (3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

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

APPROVED RETURN ON EQUITY

| | Current Return on Equity: | 10.50% | |
|---|------------------------------|--------|--|
| 1 | Commission Return on Equity: | | |

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

| Current (roved AFUDC rate: | % | |
|-----------------------------|---|--|
| Commtoving AFUDC rate: | | |

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

YEAR OF REPORT December 31,

PLACID LAKES UTILITIES, INC.

UTILITY NAME:

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

| | CAPITAL STRUCTURE (g) | \$344505 | \$ 595994 |
|--|--|--|-----------|
| CEEDING | OTHER (1) ADJUSTMENTS PRO RATA (f) | s | \$ |
| E LAST RATE PRO | OTHER (1) ADJUSTMENTS SPECIFIC (6) | \$ | \$ |
| THE METHODOLOGY USED IN THE LAST RATE PROCEEDING | NON- JURISDICTIONAL ADJUSTMENTS (d) | \$ | \$ |
| H THE METHODO | NON-UTILITY ADJUSTMENTS (c) | \$ -14446 -35219 | \$ |
| CONSISTENT WITH | PER BOOK BALANCE (b) | \$ -330059 | \$ 645659 |
| | CLASS OF CAPITAL (a) | Common Equity Preferred Stock Long Term Debt Customer Deposits Tax Credits - Zero Cost Tax Credits - Weighted Cost Deferred Inc. Taxes Other (Explain) | Total |

| (1) Explain below all adjustments made in Columns (e) and (f): | | | | | | |
|--|--|--|--|--|--|--|

UTILITY NAME:

PLACID LAKES UTILITIES, INC.

YEAR OF REPORT 31-Dec-06

UTILITY PLANT ACCOUNTS 101 - 106

| ACCT. | DESCRIPTION (b) | WATER (c) | WASTEWATER (d) | OTHER THAN REPORTING SYSTEMS (e) | TOTAL (f) |
|-------|--|--------------|-------------------|----------------------------------|--------------|
| 101 | Plant Accounts: Utility Plant In Service Utility Plant Leased to Other | \$2,595,492 | \$ | s | \$2,595,492 |
| 103 | Property Held for Future Use | | | | |
| 104 | Utility Plant Purchased or Sold | | | | |
| 105 | Construction Work in Progress | | | | |
| 106 | Completed Construction Not Classified | | | | |
| | Total Utility Plant | \$\$ | \$ | \$ | \$ 2,595,492 |

UTILITY PLANT ACQUISITION ADJUSTMENTS ACCOUNTS 114 AND 115

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

| ACCT. | DESCRIPTION (b) | WATER (c) | WASTEWATER (d) | OTHER THAN REPORTING SYSTEMS (e) | TOTAL (f) |
|---------|------------------------------|-----------|----------------|---|--------------|
| 114 | Acquisition Adjustment | \$ | \$ | \$ | \$ |
| Total P | lant Acquisition Adjustments | \$ | \$ | \$ | \$ |
| 115 | Accumulated Amortization | \$ | \$ | \$ | \$ |
| Total A | ccumulated Amortization | \$ | \$ | \$ | \$ |
| Net Acc | quisition Adjustments | \$ | \$ | \$ | \$ |

PLACID LAKES UTILITIES, INC.

YEAR OF REPORT 31-Dec-06

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

| ACCUMULATED DE DESCRIPTION (a) | | VATER (b) | WASTEWATER (c) | OTHER THAN REPORTING SYSTEMS (d) | | TOTAL (e) |
|---|-----|-----------|-------------------|----------------------------------|----------------|-----------|
| | | ACCUMULA | ATED DEPRECIATION | | <u></u> | (0) |
| | l a | | Account 108 | 1.2 | | |
| Balance first of year Credit during year: | \$ | 895,798 | \$ | \$ | \$ | 895,798 |
| Account 108.1 (1) Account 108.2 (2) Account 108.3 (2) Other Accounts (specify): | \$ | 78,220 | \$ | \$ | \$ | 78,220 |
| Salvage Other Credits (Specify): | | | | | | |
| Total Credits | \$ | 78,220 | s | \$ | s | |
| Debits during year: | | | | ! | | |
| Book cost of plant retired | | | | | | |
| Cost of Removal | | -51 | | | | -51 |
| Other Debits (specify): | | | | | | |
| Total Debits | \$ | -51 | \$ | \$ | s | -51 |
| Balance end of year | \$ | 973,967 | \$ | \$ | s | 973,967 |
| | | | TED AMORTIZATION | <u> </u> | ·· ···· | |
| Balance first of year | l s | | 1\$ | ls | 15 | |
| Credit during year: ruals charged to: Account 110.2 (2) Other Accounts (specify): | s | | \$ | \$ | \$ | |
| Total credits | \$ | | \$ | \$ | \$ | |
| Debits during year: Book cost of plant retired Other debits (specify): | | | | | | |
| Total Debits | \$ | | \$ | s | s | |
| Balance end of year | \$ | | \$ | \$ | \$ | |

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

UTILITY NAME:

YEAR OF REPORT 31-Dec-06

REGULATORY COMMISSION EXPENSE

AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)

| | EXPENSE | | GED OFF NG YEAR |
|--|--------------------------------|--------------|--------------------|
| DESCRIPTION OF CASE (DOCKET NO.) (a) | INCURRED DURING YEAR (b) | ACCT. (d) | AMOUNT (e) |
| PSC-0011621-WU | \$ | 666 | \$11,100 |
| Total | \$ | 666 | \$11,100 |

NONUTILITY PROPERTY (ACCOUNT 121)

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

Other Items may be grouped by classes of property.

| DESCRIPTION (a) | BEGINNING YEAR (b) | ADDITIONS (c) | REDUCTIONS (d) | ENDING YEAR BALANCE (e) |
|-------------------------------|--------------------------|------------------|-------------------|-------------------------------|
| Wastewater Treatment Plant | \$ 55,553 | \$ | \$ | \$ |
| Total Nonutility Property | \$55,553_ | \$ | \$ | \$55,553_ |

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

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

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

INVESTMENTS AND SPECIAL FUNDS **ACCOUNTS 123 - 127**

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

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

ACCOUNTS AND NOTES RECEIVABLE - NET ACCOUNTS 141 - 144

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

| DESCRIPTION (a) | | TOTAL (b) |
|---|------------|-----------|
| NTS RECEIVABLE (Account 141): Water Wastewater Other | \$\$ | |
| Total Customer Accounts Receivable | • | \$ 58,173 |
| FS RECEIVABLE (Account 142): | \$ | |
| Total Other Accounts Receivable | | \$ |
| CEIVABLE (Account 144): | \$ | |
| Total Notes Receivable | • | \$ |
| unts and Notes Receivable | | \$ 58,173 |
| ATED PROVISION FOR LE ACCOUNTS (Account 143) alance first of year | \$ | |
| Add: Provision for uncollectibles for current year Collection of accounts previously written off Utility Accounts Others | \$\$ | |
| Total Additions bunts written off during year: Utility Accounts Others | \$ | |
| l accounts written off | \$ | |
| alance end of year | | \$ |
| TOTAL ACCOUNTS AND NOTES RECEIV | ABLE - NET | \$58,173 |

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES ACCOUNT 145

| ACCOUNT 14 | | |
|--|---------------------------------------|---|
| Report each account receivable from associ | ciated companies separately. | T TOTAL |
| DESCRIPTION | | TOTAL |
| (a) | | (b) |
| | | \$ |
| | | J |
| | | |
| | | |
| | | |
| | | |
| | · · · · · · · · · · · · · · · · · · · | |
| | | *************************************** |
| | | |
| | | |
| | | |
| Total | | \$ |
| Total | | ф <u></u> |
| | | |
| NOTES RECEIVABLE FROM ASSO | CIATED COMBANIES | |
| | | |
| ACCOUNT 14 | | |
| Report each note receivable from associa | | |
| | INTEREST | |
| DESCRIPTION | RATE | TOTAL |
| (a) | (b) | (c) |
| | | |
| | | \$ |
| | | |
| | 9/0 | |
| | 9/0 | |
| | 9/0 | |
| | 9/0 | |
| | | |
| | | |
| | | |
| Total | | \$ |
| | | |
| MICCELL ANDOLIC CURRENT AND | A CODIED A CODE | |
| MISCELLANEOUS CURRENT AND | | |
| ACCOUNT 174 | | |
| | | BALANCE END |
| DESCRIPTION - Provide itemized listing | g | OF YEAR |
| (a) | | (b) |
| | | |
| | | \$ |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Miscellaneous Current and Accrued Lial | hilities | 1 \$ |

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT ACCOUNTS 181 AND 251

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

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

EXTRAORDINARY PROPERTY LOSSES ACCOUNT 182

Report each item separately.

DESCRIPTION
(a)

S

Total Extraordinary Property Losses

Total Extraordinary Property Losses

UTILITY NAME:

MISCELLANEOUS DEFERRED DEBITS ACCOUNT 186

| DESCRIPTION - Provide itemized listing (a) | AMOUNT WRITTEN OFF DURING YEAR (b) | YEAR END BALANCE (c) |
|---|------------------------------------|----------------------------|
| DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) PSC-0011621-WU | \$11,100 | \$ <u>0</u> |
| Total Deferred Rate Case Expense | \$11,100 | \$ |
| OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): | \$ | \$ |
| Total Other Deferred Debits | \$ | \$ |
| REGULATORY ASSETS (Class A Utilities: Account. 186.3): | \$ | \$ |
| Total Regulatory Assets | \$ | \$ |
| TOTAL MISCELLANEOUS DEFERRED DEBITS | \$11,100 | \$0 |

CAPITAL STOCK ACCOUNTS 201 AND 204*

| DESCRIPTION (a) | RATE (b) | TOTAL (c) |
|---------------------------------------|-------------|--------------|
| COMMON STOCK | | |
| Par or stated value per share | % | \$1 |
| Shares authorized | | 500 |
| Shares issued and outstanding | | 500 |
| Total par value of stock issued | % | \$500 |
| Dividends declared per share for year | % | \$ |
| PREFERRED STOCK | | |
| Par or stated value per share | % | \$ |
| Shares authorized | | |
| Shares issued and outstanding | | |
| Total par value of stock issued | % | \$ |
| Dividends declared per share for year | % | \$ |

^{*} Account 204 not applicable for Class B utilities.

BONDS ACCOUNT 221

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

^{*} For variable rate obligations, provide the basis for the rate. (i.e., prime \pm 2%, etc.)

UTILITY NAME: PLACID LAKES UTILITIES, INC.

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.

2. Show separately the state and federal income tax effect of items shown in Account No. 439.

| ACCT. | DESCRIPTION | A | MOUNTS |
|------------|---|-------------|------------|
| (a) 215 | (b) Unappropriated Retained Earnings: | | (c) |
| 213 | Balance Beginning of Year | \$ | 1,611,079 |
| 439 | Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: | _ \$ | 1,011,077 |
| | Total Credits: | \$ | |
| | Debits: | \$ | |
| | Total Debits: | \$ | · |
| 435 | Balance Transferred from Income | s | -51,702 |
| 436 | Appropriations of Retained Earnings: | | |
| | Total Appropriations of Retained Earnings | s | |
| 437 438 | Dividends Declared: Preferred Stock Dividends Declared Common Stock Dividends Declared | - | |
| | Total Dividends Declared | \$ | |
| 215 | Year end Balance | \$ | -1,662,781 |
| 214 | Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): | | |
| 214 | Total Appropriated Retained Earnings | \$ | |
| | ained Earnings | \$ | -1,662,781 |
| Notes to | Statement of Retained Earnings: | | |

UTILITY NAME:

ADVANCES FROM ASSOCIATED COMPANIES ACCOUNT 223

Report each advance separately.

| | DESCRIPTION (a) | | , | ГОТАL (b) |
|----------------|--|--|----|--|
| La La La | ake Placid Holding Company-Plant Expansion ake Placid Holding Company-Line Extension ake Placid Holding Company-Operating ake Placid Holding Company - Wastewater ake Placid Holding Company - 1999 Ford | 10.5% Fixed 10.5% Fixed 10.5% Fixed 10.5% Fixed 10.% Fixed | \$ | 339,566 137,405 456,859 35,219 637 |
| Total | | | \$ | 969,686 |

OTHER LONG-TERM DEBT ACCOUNT 224

| | IN | TEREST | PRINCIPAL |
|--|--------|------------|---------------|
| DESCRIPTION OF OBLIGATION | ANNUAL | FIXED OR | AMOUNT PER |
| (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) | RATE | VARIABLE * | BALANCE SHEET |
| (a) | (b) | (c) | (d) |
| Ford Motor Credit | | Fixed | \$6,032 |
| Total | | . | \$6,032 |

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

UTILITY NAME: PLACID LAKES UTILITIES, INC.

NOTES PAYABLE ACCOUNTS 232 AND 234

| | IN' | TEREST | PRINCIPAL |
|--|-----------------------|-------------------------------|------------------------------------|
| DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a) | ANNUAL RATE (b) | FIXED OR VARIABLE * (c) | AMOUNT PER BALANCE SHEET (d) |
| NOTES PAYABLE (Account 232): | % % % % % | | \$ |
| Total Account 232 | | | \$ |
| NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): Lake Placid Holding-Short Term | Zero % | | \$ |
| Total Account 234 | | | \$25,000 |

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

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES ACCOUNT 233

Report each account payable separately.

| DESCRIPTION (a) | TOTAL (b) |
|-----------------|-----------|
| | \$ |
| | |
| | |
| | |
| | |
| Total | \$ |
| | |

YEAR OF REPORT 31-Dec-06

UTILITY NAME: PLACID LAKES UTILITIES, INC.

ACCRUED INTEREST AND EXPENSE ACCOUNTS 237 AND 427

| AC | AT UNIA 162 CIVIDODA | - 1 | | | |
|---|----------------------|-------|------------------|------------------------------------|--|
| | | INTE | INTEREST ACCRUED | | |
| | BALANCE | D | DURING YEAR | INTEREST | |
| DESCRIPTION | BEGINNING | ACCT. | | PAID DURING | BALANCE END |
| OF DEBIT | OF YEAR | DEBIT | AMOUNT | YEAR | OF YEAR |
| (8) | (b) | (S) | (d) | (e) | (f) |
| ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt | 716 71 | 707 | 30 400 | 670 26 | \$ 17.743 |
| Take Flacia Holding Company-Frank Expansion | | 174 | | | |
| Lake Flacid Holding Company-Line Extension | 0,994 | 174 | 10,939 | 13,189 | 8,/44 |
| Lake Placid Holding Company-Operating | 0 | 427 | 44,426 | 44,426 | |
| Lake Placid Holding Company-Truck | 0 | 427 | 262 | 262 | |
| Lake Placid Holding Company-Wastewater | 0 | 426 | 2,839 | 2,839 | |
| | | | | | |
| Total Account 237.1 | \$ 23,208 | | \$ 103,956 | \$ 100,678 | \$ 26,486 |
| ACCOUNTING 2272 Acoming Interact on Other Lightifies | | | | | |
| ACCOUNTING: 237.2 - Accided interest on Outer Eddonness Customer Denosits | €. | 427 | ∵ | €. | € |
| | | | | } | |
| | | | | | |
| | | | | | |
| | € | | E | € | € |
| l otal Account 237.2 | | | ð | | |
| - | | | | | |
| Total Account 237 (1) | \$ 23,208 | | \$ 103,956 | 100,678 | \$ 26,486 |
| INTEREST EXPENSED: | | | | | |
| Total accrual Account 237 | | 237 | \$ 103,956 | (1) Must agree to F. | (1) Must agree to F-2 (a), Beginning and |
| Less Capitalized Interest Portion of AFUDC: | | | | Ending Balance | Ending Balance of Accrued Interest. |
| Less Interest Charged to Acc 426 | | | 2,839 | | |
| | | | | (2) Must agree to F-3 (c), Current | ·3 (c), Current |
| | | | | Year Interest Expense | pense |
| Net Interest Expensed to Account No. 427 (2) | | | \$ 101,117 | | |
| | | | | | |
| | | | | | |

UTILITY NAME: PLACID LAKES UTILITIES, INC.

YEAR OF REPORT 31-Dec-06

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

ACCOUNT 241

| DALAINCE END OF YEAR (b) | 8 | | \$ |
|--|---|--|---|
| DESCRIPTION - Provide itemized listing (a) | | | Total Miscellaneous Current and Accrued Liabilities |
| | | | |

ADVANCES FOR CONSTRUCTION ACCOUNT 252

| | ACCOUNT 232 | | | | |
|-------------------------|-------------|--------|-----------|---------|-------------|
| | BALANCE | | DEBITS | | |
| | | ACCT. | | | BALANCE END |
| NAME OF PAYOR * | OF YEAR | DEBIT | AMOUNT | CREDITS | OF YEAR |
| (a) | (b) | (c) | (d) | (e) | (f) |
| Advances from customers | \$ 82,501 | 252 \$ | \$ 53,239 | \$ -721 | \$ 135,019 |
| | | | | | |
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| | | | | | |
| | | | | | |
| Total | \$ 82,501 | | \$ 53,239 | \$ | \$ |
| | | _ | | | |

^{*} Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME:

OTHER DEFERRED CREDITS ACCOUNT 253

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

LAKES UTILITIES, INC.

CONTRIBUTIONS IN AID OF CONSTRUCTION ACCOUNT 271

| DESCRIPTION (a) | WATER (W-7) (b) | WASTEWATER (S-7) (c) | W & WW OTHER THAN SYSTEM REPORTING (d) | TOTAL (e) |
|---|-----------------------|----------------------------|--|--------------|
| Balance first of year | \$1,442,879 | \$ | s | \$1,442,879 |
| Add credits during year: | \$142,928 | \$ | s | \$142,928 |
| Less debit charged during the year | \$ | \$ | s | \$ |
| Total Contribution In Aid of Construction | \$1,585,807 | \$ | \$ | \$1,585,807 |

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION ACCOUNT 272

| DESCRIPTION (a) | WATER (W-8(a)) (b) | WASTEWATER (S-8(a)) (c) | W & WW OTHER THAN SYSTEM REPORTING (d) | TOTAL (e) |
|--|--------------------------|-------------------------------|--|--------------|
| Balance first of year | \$ 609,331 | \$ | \$ | \$609,331 |
| Debits during the year: | \$45,658 | \$ | \$ | \$45,658 |
| Credits during the year | \$ | \$ | \$ | \$ |
| Total Accumulated Amortization of Contributions In Aid of Construction | \$654,989 | \$ | \$ | \$654,989 |

UTILITY NAME: PLACID LAKES UTILITIES, INC.

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

| ١. | The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. |
|----|--|
| | The reconciliation shall be submitted even though there is no taxable income for the year. |
| | Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals |

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

| DESCRIPTION (a) | REF. NO. (b) | AMOUNT (c) |
|--|-----------------|---------------|
| Net income for the year | F-3(c) | \$61,765 |
| Reconciling items for the year: Taxable income not reported on books: CIAC Collections Net | | 97,270 |
| Deductions recorded on books not deducted for return: | | |
| Income recorded on books not included in return: | | |
| Deduction on return not charged against book income: Tax Depreciation over Books | | -17,758 |
| Federal tax net income | • | \$17,747 |

Computation of tax:

WATER OPERATION SECTION

YEAR OF REPORT 31-Dec-06

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

| SYSTEM NAME / COUNTY | CERTIFICATE NUMBER | GROUP NUMBER |
|--|-----------------------|-----------------|
| Placid Lakes Utilities, Inc./Highlands | WU19328401W | |
| | | |
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SYSTEM NAME / COUNTY:

Highlands

SCHEDULE OF YEAR END WATER RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | WATER UTILITY (d) |
|---------------------|--|--------------------------|-------------------------|
| 101 | Utility Plant In Service | W-4(b) | \$ 2,595,492 |
| N.T. | Less: | | 205.762 |
| | onused and Useful Plant (1) Accumulated Depreciation | W ((L) | 385,762 984,030 |
| | Accumulated Amortization | W-6(b) | 984,030 |
| | ibutions In Aid of Construction | W-7 | 1,585,807 |
| | Advances for Construction | F-20 | 1,505,007 |
| | Subtotal | | \$360,107 |
| 272 4 | Add: cumulated Amortization of | | |
| | ibutions in Aid of Construction | W-8(a) | \$ 654,989 |
| Conu | ioutions in Aid of Constituction | 1 W-0(a) | 054,767 |
| | Subtotal | | \$ |
| | Plus or Minus: | T | |
| | equisition Adjustments (2) | F-7 | |
| | nortization of Acquisition Adjustments (2) | F-7 | 52.105 |
| Wo | rking Capital Allowance (3) Other (Specify): | | 53,105 |
| | Other (Specify). | | |
| | WATER RATE BASE | | \$347,987 |
| WA | TER OPERATING INCOME | W-3 | \$ |
| A | CHIEVED RATE OF RETURN (Water Operating Income / Water | r Rate Base) | -0.02% |

NOTES: plogy used in the last rate proceeding.

ion Adjustments that have been approved by the Commission.

ation consistent with last rate proceeding.

a rate proceeding, Class A utilities will use the Balance Sheet Method and ies will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

PLACID LAKES UTILITIES, INC.

December 31 2006

SYSTEM NAME / COUNTY:

Highlands

WATER OPERATING STATEMENT

| ACCT. NO. (a) | ACCOUNT NAME (b) | REFERENCE PAGE (c) | C | URRENT YEAR (d) |
|--|--|--------------------------|-------------|---|
| | LITY OPERATING INCOME | W. 0 | | 574.0 00 |
| 400 | Operating Revenues | W-9 | \$ | 574,890 |
| 469 | Less: Guaranteed Revenue and AFPI | W-9 | | -37,872 |
| | Net Operating Revenues | | \$ | 537,018 |
| 401 | Operating Expenses | W-10(a) | \$ | 424,838 |
| 403 | Depreciation Expense Less: Amortization of CIAC | W-6(a) W-8(a) | _ | 88,283 45,658 |
| | 2000. I MIONELINION OF CHIC | 0(4) | | 10,000 |
| | Net Depreciation Expense | | \$ | 42,625 |
| 406 | Amortization of Utility Plant Acquisition Adjustment | F-7 | · | |
| 407 | Amortization Expense (Other than CIAC) | F-8 | | |
| 408.10 408.11 408.12 408.13 408 409.1 410.10 410.11 411.10 412.10 | Taxes Other Than Income Utility Regulatory Assessment Fee Property Taxes Payroll Taxes Other Taxes and Licenses Total Taxes Other Than Income Income Taxes Deferred Federal Income Taxes Deferred State Income Taxes Provision for Deferred Income Taxes - Credit Investment Tax Credits Deferred to Future Periods | | \$ | 28,938 24,890 14,259 1,535 69,622 |
| 412.11 | Investment Tax Credits Restored to Operating Income Utility Operating Expenses | | \$ | 537,085 |
| | Utility Operating Income | | \$ | -67 |
| | Add Back: | | | |
| 469 | Guaranteed Revenue (and AFPI) | W-9 | \$ | 37,872 |
| 413 | Income From Utility Plant Leased to Others | | _ | |
| 414 | Gains (losses) From Disposition of Utility Property | | | |
| 420 | Allowance for Funds Used During Construction | | | |
| | Total Utility Operating Income | | \$ | 37,805 |

YEAR OF REPORT 31-Dec-06

PLACID LAKES UTILITIES, INC.

Highlands SYSTEM NAME / COUNTY:

UTILITY NAME:

WATER UTILITY PLANT ACCOUNTS

| _ | | | | | | | | | | | | | -,- | | | | | | | | | | | | | | | | | | | |
|----------|--------------|-----|--------------|------------|----------------------|-----------------------------|--------------------------------------|-------------------------------|-------------------|------------------------------------|--------------|----------------------------|-------------------|---------------------------|--|-------------------------------------|----------|--------------------------------|----------|-----------------------------|-------------------------------------|--------------------------------|--------------------------|------------------|----------------------------------|----------------------|--------------------------|-------------------------|-------------------------|----------------------|-------------------|--|
| CURRENT | YEAR | (J) | \$ | | 1,000 | 70,635 | 32,429 | | 113,343 | | 48,851 | 70,894 | 126,189 | 20,675 | 259,304 | 1,202,491 | 202,931 | 305,617 | 32,339 | | 2,698 | 29,325 | 37,569 | | 5,330 | | | 12,607 | 21,265 | | \$ 2595492 | |
| | RETIREMENTS | (e) | \$ | | | | | | | | | | | | | | | -51 | | | | | | | | | | | | | \$51 | |
| | ADDITIONS | (d) | \$ | | | | | | 219 | | | | | | | 72,114 | 55,962 | 26,638 | | | 1,027 | | | | | | | 9,036 | | | \$ 164996 | |
| PREVIOUS | YEAR | (c) | \$ | | 1,000 | 70,635 | 32,429 | | 113,124 | | 48,851 | 70,894 | 126,189 | 20,675 | 259,304 | 1,130,377 | 146,969 | 279,030 | 32,339 | | 1,671 | 29,325 | 37,569 | | 5,330 | | | 3,571 | 21,265 | | \$ 2430547 | |
| | ACCOUNT NAME | (p) | Organization | Franchises | Land and Land Rights | Structures and Improvements | Collecting and Impounding Reservoirs | Lake, River and Other Intakes | Wells and Springs | Infiltration Galleries and Tunnels | Supply Mains | Power Generation Equipment | Pumping Equipment | Water Treatment Equipment | Distribution Reservoirs and Standpipes | Transmission and Distribution Mains | Services | Meters and Meter Installations | Hydrants | Backflow Prevention Devices | Other Plant Miscellaneous Equipment | Office Furniture and Equipment | Transportation Equipment | Stores Equipment | Tools, Shop and Garage Equipment | Laboratory Equipment | Power Operated Equipment | Communication Equipment | Miscellaneous Equipment | Other Tangible Plant | TOTAL WATER PLANT | |
| ACCT. | NO. | (a) | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 320 | 330 | 331 | 333 | 334 | 335 | 336 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | | |

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

W-4(a) GROUP

PLACID LAKES UTILITIES, INC.

UTILITY NAME:

SYSTEM NAME / COUNTY:

Highlands

| | ĸ | GENERAL | PLANT | æ | \$ | | | | | | | | | | | | | | | | | 7.0 | | 29,325 | 37,569 | | 5,330 | | | 12,607 | 21,265 | | \$ 106096 | |
|----------------------------|--------------------|------------|--------------|-----|--------------|------------|----------------------|-----------------------------|--------------------------------------|-------------------------------|-------------------|-------------------------------------|--------------|----------------------------|-------------------|---------------------------|--|-------------------------------------|----------|--------------------------------|----------|-----------------------------|-------------------------------------|--------------------------------|--------------------------|------------------|----------------------------------|----------------------|--------------------------|-------------------------|-------------------------|----------------------|-------------------|--|
| | .4 TRANSMISSION | AND | DISTRIBUTION | (S) | \$ | | | | | | | | | | | | 259,304 | 1,202,491 | 202,931 | 305,617 | 32,339 | | | | | | | | | | | | \$ 2002682 | |
| | £. | WATER | PLANT | Œ | \$ | | 1,000 | 70,635 | | | | | | | | 20,675 | | | | | | | | | | | | | | | | | \$ 92310 | |
| ANT MATRIX | .2 SOURCE | OF SUPPLY | AND FUMPING | (e) | \$ | | | | 32,429 | | 113,343 | | 48,851 | 70,894 | 126,189 | | | LL C | | | | | 2,698 | | | | | | | | | | \$ 394404 | |
| WATER UTILITY PLANT MATRIX | .1 | INTANGIBLE | FLANI | (p) | \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | 9 | |
| WA | | CURRENT | YEAK | (c) | \$ | | 1,000 | 70,635 | 32,429 | | 113,343 | | 48,851 | 70,894 | 126,189 | 20,675 | 259,304 | 1,202,491 | 202,931 | 305,617 | 32,339 | | 2,698 | 29,325 | 37,569 | | 5,330 | | | 12,607 | 21,265 | | \$ 2595492 | |
| | | | ACCOUNT NAME | (b) | Organization | Franchises | Land and Land Rights | Structures and Improvements | Collecting and Impounding Reservoirs | Lake, River and Other Intakes | Wells and Springs | Intilitration Galleries and Tunnels | Supply Mains | Power Generation Equipment | Pumping Equipment | Water Treatment Equipment | Distribution Reservoirs and Standpipes | Transmission and Distribution Mains | Services | Meters and Meter Installations | Hydrants | Backflow Prevention Devices | Other Plant Miscellaneous Equipment | Office Furniture and Equipment | Transportation Equipment | Stores Equipment | Tools, Shop and Garage Equipment | Laboratory Equipment | Power Operated Equipment | Communication Equipment | Miscellaneous Equipment | Other Tangible Plant | TOTAL WATER PLANT | |
| | | ACCT. | j | (a) | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 320 | 330 | 331 | 333 | 334 | 335 | 336 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | | |

W-4(b) GROUP

SYSTEM NAME / COUNTY:

Highlands

BASIS FOR WATER DEPRECIATION CHARGES

| ACCT. | | AVERAGE SERVICE LIFE IN | AVERAGE NET SALVAGE IN | DEPRECIATION RATE APPLIED IN PERCENT |
|---------|--|-------------------------------|------------------------------|--------------------------------------|
| NO. | ACCOUNT NAME | YEARS | PERCENT | (100% - d)/c |
| (a) | (b) | (c) | (d) | (e) |
| 304 | Structures and Improvements | 32 | | 3.13% |
| 305 | Collecting and Impounding Reservoirs | 50 | | 2.00% |
| 306 | Lake, River and Other Intakes | | | |
| 307 | Wells and Springs | 30 | | 3.33% |
| 308 | Infiltration Galleries and Tunnels | | | |
| 309 | Supply Mains | 35 | | 2.86% |
| 310 | Power Generation Equipment | 20 | | 5.00% |
| 311 | Pumping Equipment | 20 | <u> </u> | 5.00% |
| 320 | Water Treatment Equipment | 22 | <u> </u> | 4.55% |
| 330 | Distribution Reservoirs and Standpipes | 37 | | 2.70% |
| 331 | Transmission and Distribution Mains | 43 | | 2.33% |
| 333 | Services | 40 | | 2.50% |
| 334 | Meters and Meter Installations | 15 | | 6.67% |
| 335 | Hydrants | 45 | | 2.22% |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant Miscellaneous Equipment | 18 | | 5.56% |
| 340 | Office Furniture and Equipment | 15 | | 6.67% |
| 341 | Transportation Equipment | 6 | | 16.67% |
| 342 | Stores Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | 16 | | 6.25% |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 10 | | 10.00% |
| 347 | Miscellaneous Equipment | 15 | | 6.67% |
| 348 | Other Tangible Plant | | | |
| Water P | lant Composite Depreciation Rate * | | | |

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

YEAR OF REPORT 31-Dec-06

PLACID LAKES UTILITIES, INC.

SYSTEM NAME / COUNTY:

UTILITY NAME:

Highlands

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

| | | T BAT ANCE I | | OTUED | TOTAL |
|----------|--|--------------|-----------|------------|-----------|
| ACCT. | | AT BEGINNING | ACCRUALS | CREDITS * | CREDITS |
| NO. | ACCOUNT NAME | OF YEAR | | | (d+e) |
| (8) | (b) | (c) | (d) | (e) | (I) |
| | | | | | |
| 304 | Structures and Improvements | \$ 41,765 | \$ 2,209 | € 9 | \$ 2,209 |
| 305 | Collecting and Impounding Reservoirs | 22,034 | 646 | | 646 |
| 306 | Lake, River and Other Intakes | | | | |
| 307 | Wells and Springs | 43,636 | 3,771 | | 3,771 |
| 308 | Infiltration Galleries and Tunnels | | | | |
| 309 | Supply Mains | 11,867 | 1,395 | | 1,395 |
| 310 | Power Generation Equipment | 3,499 | 3,545 | | 3,545 |
| 311 | Pumping Equipment | 43,518 | 6,312 | | 6,312 |
| 320 | Water Treatment Equipment | 16,761 | 940 | | 940 |
| 330 | Distribution Reservoirs and Standpipes | 58,568 | 7,008 | | 2,008 |
| 331 | Transmission and Distribution Mains | 450,994 | 27,207 | | 27,207 |
| 333 | Services | 33,322 | 4,439 | | 4,439 |
| 334 | Meters and Meter Installations | 112,771 | 17,191 | | 17,191 |
| 335 | Hydrants | 9,138 | 718 | | 718 |
| 336 | Backflow Prevention Devices | | | | |
| 339 | Other Plant Miscellaneous Equipment | 139 | 121 | | 121 |
| 340 | Office Furniture and Equipment | 166,7 | 1,955 | | 1,955 |
| 341 | Transportation Equipment | 18,175 | -1,657 | | -1,657 |
| 342 | Stores Equipment | | | : | |
| 343 | Tools, Shop and Garage Equipment | 3,975 | 334 | | 334 |
| 344 | Laboratory Equipment | | | | |
| 345 | Power Operated Equipment | | | | |
| 346 | Communication Equipment | 777 | 815 | - | 815 |
| 347 | Miscellaneous Equipment | 16,870 | 1,271 | | 1,271 |
| 348 | Other Tangible Plant | | | | |
| | | | | | |
| TOTAL W. | TOTAL WATER ACCUMULATED DEPRECIATION | \$ 895,800 | \$ 78,220 | \$ | \$ 78,220 |
| | | | | | |

^{*} secify nature of transaction Use () to denote reversal entries.

YEAR OF REPORT 31-Dec-06

PLACID LAKES UTILITIES, INC.

UTILITY NAME:

SYSTEM NAME / COUNTY:

<u>Highlands</u>

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

| ACCT. ACCOUNT NAME RETIRED TOTAL BALANCE AT INCOME TOTAL TOTAL BALANCE AT INCOME TOTAL BALANCE | | | | | | | |
|--|----------|--|---------|-------------|--------------------|---------|-------------|
| RETIRED INSURANCE AND OTHER CHARGES END OF CHARGES (c+f) | | | PLANT | SALVAGE AND | COSI OF REMOVAL | TOTAL | BALANCE AT |
| S (g) (h) (c) (G) (g | | ACCOUNT NAME | RETIRED | INSURANCE | AND OTHER | CHARGES | END OF YEAR |
| \$ (9) (9) (9) \$ \frac{8}{2} \text{S} \tag{8} \tag{9} \ | | | | | CHARGES | (g-h+i) | (c+f-k) |
| \$ | | (b) | (g) | (h) | (I) | (I) | 0 |
| \$ 15. \$ \$ 15. \$ | H | Structures and Improvements | | \$ | € | \$ | |
| | H | Collecting and Impounding Reservoirs | | | | | 22,680 |
| S 15- S | \vdash | Lake, River and Other Intakes | | | | | |
| | \vdash | Wells and Springs | | | | | 47,407 |
| \$ 15- | H | Infiltration Galleries and Tunnels | | | | | |
| \$ 15- S 15- | | Supply Mains | | | | | 13,262 |
| S 15- S | _ | Power Generation Equipment | | | | | 7,044 |
| \$ 15. \$ 15. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | - | Pumping Equipment | | | | | 49,830 |
| \$ 15- 21 \$ \$ 15- 21 \$ | <u> </u> | Water Treatment Equipment | | | | | 17,701 |
| \$ 15. \$ \$51 | | Distribution Reservoirs and Standpipes | | | | | 65,576 |
| \$ 15. \$ 15. \$ \$ 15. \$ \$ | | Transmission and Distribution Mains | | | | | 478,200 |
| \$ 15- -51 \$ -51 \$ \$ -51 \$ \$ -51 \$ | | Services | | | | | 37,761 |
| 8 15- 8 8 15- 8 | - | Meters and Meter Installations | -51 | | | -51 | 129,910 |
| \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ -51 \$ \$ -51 \$ | | Hydrants | | | | | 9,856 |
| \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 | H | Backflow Prevention Devices | | | | | |
| \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 | | Other Plant Miscellaneous Equipment | | | | | 260 |
| \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ \$ -51 \$ | | Office Furniture and Equipment | | | | | 9,946 |
| \$ -51 \$ \$ -51 \$ | H | Transportation Equipment | | | | | 16,518 |
| 8 -51 8 -51 \$ | Н | Stores Equipment | | | | | |
| s -51 s | Н | Tools, Shop and Garage Equipment | | | | | 4,309 |
| s -51 s -51 s -51 s | | Laboratory Equipment | | | | | |
| S -51 S S -51 S | | Power Operated Equipment | | | | | |
| \$ -51 \$ \$ -51 \$ | | Communication Equipment | | | | | 1,592 |
| \$ -51 \$ = -51 \$ | | Miscellaneous Equipment | | | | | 18,141 |
| s51 s s51 s | | Other Tangible Plant | | | | | |
| | WA | TER ACCUMULATED DEPRECIATION | | S | | | |

W-6(b) GROUP

UTILITY NAME:

PLACID LAKES UTILITIES, INC.

December 31,2006

SYSTEM NAME / COUNTY:

Highlands

CONTRIBUTIONS IN AID OF CONSTRUCTION ACCOUNT 271

| DESCRIPTION (a) | REFERENCE (b) | WATER (c) |
|--|------------------|----------------------------------|
| Balance first of year | | \$1442879 |
| Add credits during year: Contributions received from Capacity, Main Extension and Customer Connection Charges Contributions received from Developer or Contractor Agreements in cash or property | W-8(a) W-8(b) | \$ <u>115773</u> <u>27155</u> |
| Total Credits | | \$142928_ |
| Less debits charged during the year (All debits charged during the year must be explained below) | | \$ |
| Total Contributions In Aid of Construction | | \$1585807 |

| If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined. |
|---|
| Explain all debits charged to Account 271 during the year below: |
| |
| |
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| |

| YEAR | OF | REPORT |
|------|-----------|--------|
| | 31. | Dec-06 |

UTILITY NAME: PLACID LAKES UTILITIES, INC.

SYSTEM NAME / COUNTY: <u>Highlands</u>

WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

| DESCRIPTION OF CHARGE (a) | NUMBER OF CONNECTIONS (b) | CHARGE PER CONNECTION (c) | AMOUNT (d) |
|---|---------------------------------|---|---|
| Meter Fees Meter Fees Meter Fees Line Extension Fee Plant Expansion Fee Service Connect Fee | 98 2 2 36 99 97 | \$ 283 330 393 299 315 460 | \$ 27,740 660 786 10,767 31,185 44,635 |
| Total Credits | | | \$115,773 |

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

| DESCRIPTION | WATER | | |
|---|------------|---|--|
| (a) | (b) | | |
| Balance first of year | \$ 609,331 | - | |
| Debits during the year: Accruals charged to Account 272 Other debits (specify): | \$ 45,658 | - | |
| Total debits | \$45,658 | - | |
| Credits during the year (specify): | \$ | - | |
| Total credits | \$ | - | |
| Balance end of year | \$654,989 | = | |

W-8(a) GROUP

SYSTEM NAME / COUNTY: <u>Highlands</u>

WATER CIAC SCHEDULE "B"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

| DESCRIPTION (a) | INDICATE CASH OR PROPERTY (b) | AMOUNT (c) |
|---------------------|-------------------------------|---------------|
| Kris Capes | P | \$ 1,042 |
| Sunbelt Homes | P P | 1,500 |
| Suter Homes | P | 1,234 |
| Nergeron | P | 1,030 |
| Frank Suter | P | 548 |
| R DiStefano | P | 1,678 |
| Myer Homes | P | 743 |
| Chris Crow | P | 562 |
| Owl Construction | P | 780 |
| Curtis | P | 4,347 |
| Spires Construction | P | 392 |
| Morris Custom Homes | P | 1,353 |
| Jack McGhee | P | 7,998 |
| Spires Construction | P | 1,175 |
| Hutchins | P | 284 |
| Elfers&Elfers | P | 338 |
| Sunbelt Homes | P | 1,341 |
| Spires Construction | P | 810 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Credits | | \$ |

UTILITY NAME:

PLACID LAKES UTILITIES, INC.

31-Dec-06

SYSTEM NAME / COUNTY:

<u>Highlands</u>

WATER OPERATING REVENUE

| ACCT. NO. | DESCRIPTION | BEGINNING YEAR NO. CUSTOMERS * | YEAR END NUMBER OF CUSTOMERS | AMOUNT |
|--------------|------------------------------------|--------------------------------------|------------------------------------|-----------|
| (a) | (b) | (c) | (d) | (e) |
| | | Water Sales: | | |
| 460 | Unmetered Water Revenue | | | \$ |
| | Metered Water Revenue: | | | |
| 461.1 | Sales to Residential Customers | 1,782 | 1,885 | 512,311 |
| 461.2 | Sales to Commercial Customers | 30 | 30 | 19,078 |
| 461.3 | Sales to Industrial Customers | | | |
| 461.4 | Sales to Public Authorities | <u> </u> | 1 | 260 |
| 461.5 | Sales Multiple Family Dwellings | | | |
| | Total Metered Sales | 1,813 | 1,916 | \$531,649 |
| | Fire Protection Revenue: | | | |
| 462.1 | Public Fire Protection | 2 | 2 | 256 |
| 462.2 | Private Fire Protection | | | i.i. |
| | Total Fire Protection Revenue | | | |
| 464 | Other Sales To Public Authorities | | | |
| 465 | Sales To Irrigation Customers | | | |
| 466 | Sales For Resale | | | |
| 467 | Interdepartmental Sales | | | |
| | Total Water Sales | 1,815 | 1,918 | \$531,905 |
| | Other Water Revenues: | | | |
| 469 | Guaranteed Revenues (Including All | owance for Funds Pruden | tly Invested or AFPI) | \$ 37,872 |
| 470 | | eited Discounts | | |
| 471 | Miscellane | ous Service Revenues | | 5,113 |
| 472 | Rents Fr | om Water Property | | |
| 473 | | partmental Rents | | |
| 474 | Other | | | |
| | Total Other Water Revenues | | | \$42,985_ |
| | Total Water Operating Revenues | | | \$574,890 |

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

W-9 GROUP _____ **STEM NAME / COUNTY:**

Highlands

WATER UTILITY EXPENSE ACCOUNTS

| ACCT. NO. | ACCOUNT NAME (b) | CURRENT YEAR (c) | .1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d) | .2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e) |
|--------------|--|------------------------|--|---|
| 601 | Salaries and Wages - Employees | \$ 132,717 | \$ 10,229 | \$ 5,204 |
| 603 | Salaries and Wages - Employees Salaries and Wages - Officers, | 30,000 | 5 10,229 | \$5,204 |
| 003 | Directors and Majority Stockholders | 30,000 | | |
| 604 | Employee Pensions and Benefits | 46,447 | | *************************************** |
| 610 | Purchased Water | | | |
| 615 | Purchased Power | 17,808 | 16,830 | |
| 616 | Fuel for Power Purchased | | | |
| 618 | Chemicals | 16,070 | | |
| 620 | Materials and Supplies | 15,692 | 563 | 2,373 |
| 631 | Contractual Services-Engineering | | | |
| 632 | Contractual Services - Accounting | | | |
| 633 | Contractual Services - Legal | 6,427 | | |
| 634 | Contractual Services - Mgt. Fees | 31,500 | | |
| 635 | Contractual Services - Testing | 1,586 | 1,136 | |
| 636 | Contractual Services - Other | 53,106 | | 2,875 |
| 641 | Rental of Building/Real Property | 17,719 | 5,850 | |
| 642 | Rental of Equipment | | | |
| 650 | Transportation Expenses | 7,884 | *************************************** | |
| 656 | Insurance - Vehicle | 2,790 | | |
| 657 | Insurance - General Liability | 9,404 | | |
| 658 | Insurance - Workman's Comp. | 6,838 | | |
| 659 | Insurance - Other | | | |
| 660 | Advertising Expense | | | |
| 666 | Regulatory Commission Expenses | | 79 | a a grant to the second |
| | - Amortization of Rate Case Expense | 11,100 | | 44.16 - A. 16 |
| 667 | Regulatory Commission ExpOther | | A STATE OF THE STA | |
| 668 | Water Resource Conservation Exp. | | | ar an |
| 670 | Bad Debt Expense | | | |
| 675 | Miscellaneous Expenses | 17,750 | 2,947 | 314 |
| | Total Water Utility Expenses | \$\$ | \$37,555 | \$10,766 |

31-Dec-06

SYSTEM NAME / COUNTY:

<u>Highlands</u>

WATER EXPENSE ACCOUNT MATRIX

| .3 | .4 | .5 | .6 | .7 | .8 |
|--------------------|--------------------|-----------------------------|-----------------------------|-----------------|-----------------|
| WATER TREATMENT | WATER TREATMENT | TRANSMISSION & DISTRIBUTION | TRANSMISSION & DISTRIBUTION | CUSTOMER | ADMIN. & |
| EXPENSES - | EXPENSES - | EXPENSES - | EXPENSES - | ACCOUNTS | GENERAL |
| OPERATIONS | MAINTENANCE | OPERATIONS | MAINTENANCE | EXPENSE | EXPENSES |
| (f) | (g) | (h) | (i) | (j) | (k) |
| \$11,383 | \$5,260 | \$15,016 | \$ | \$65,845 | \$ |
| 13,503 | | 7,331 | | 25,033 978 | 580 |
| 16,070 | 695 | | 331 | 9,606 | 2,125 |
| 450 | | | | 15,750 | 6,427 15,750 |
| 21,600 5,850 | 525 | 17,338 | | 10,768 6,019 | |
| | | 7,801 2,790 | | 83 | 9,404 |
| 1,431 | | 1,666 | | 3,740 | 9,404 |
| | | | | | 11,100 |
| | | | 1,487 | 8,861 | 4,142 |
| \$70,287 | \$6,480_ | \$51,942 | \$9,597 | \$146,683 | \$91,528 |

FILITY NAME:

PLACID LAKES UTILITIES, INC.

(STEM NAME / COUNTY:

Highlands

PUMPING AND PURCHASED WATER STATISTICS

| MONTH (a) | WATER PURCHASED FOR RESALE (Omit 000's) (b) | FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c) | WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d) | TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e) | WATER SOLD TO CUSTOMERS (Omit 000's) (f) |
|-------------------|---|---|--|---|--|
| January | | 8,958 | -398 | 8,560 | 8,738 |
| February | | 8,101 | -537 | 7,564 | 8,145 |
| March | | 9,817 | -226 | 9,591 | 9,725 |
| April | | 9,859 | -101 | 9,758 | 10,060 |
| May | | 10,232 | 334 | 10,566 | 10,256 |
| June | | 8,069 | 385 | 8,454 | 8,772 |
| July | | 8,100 | 103 | 8,203 | 8,075 |
| August | | 7,628 | 329 | 7,957 | 8,484 |
| September | | 7,766 | 373 | 8,139 | 8,139 |
| October | | 8,336 | 445 | 8,781 | 7,878 |
| November | | 8,032 | 422 | 8,454 | 8,468 |
| December | | 8,792 | 55 | 8,847 | 8,641 |
| Total for Year | | 103690 | 1184 | 104874 | 105381 |

| If water is purchased for | resale, indicate the | following: | | | |
|---------------------------|------------------------|--------------------|---------------------------------------|---|--|
| Vendor Point of delivery | | | | | |
| · | - | | | | |
| If water is sold to other | water utilities for re | distribution, list | names of such util | ities below: | |
| | · | | · · · · · · · · · · · · · · · · · · · | | |
| | | | · · · · · · · · · · · · · · · · · · · | Western 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 | |
| | | | | . <u> </u> | |
| | | | | | |

| ach source of supply: | CAPACITY OF WELL | GALLONS PER DAY FROM SOURCE | TYPE OF SOURCE |
|-----------------------|---------------------|-----------------------------------|---------------------------|
| Well #1 Well #2 | 133,300 133,400 | 93,877 73,578 | Ground Water Ground Water |
| Well #3 | 133,300 | 116,627 | Ground Water |

| YEAR | OF | REP | ORT |
|------|-----------|-----|-----|
|------|-----------|-----|-----|

31-Dec-06

PLACID LAKES UTILITIES, INC.

(STEM NAME / COUNTY:

<u>Highlands</u>

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

| Permitted Capacity of Plant (GPD): | 1.15 MGD | |
|---|-----------------------|---|
| Location of measurement of capacity (i.e. Wellhead, Storage Tank): | Wellhead | - |
| Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.): | Aeration and Chemical | |
| | LIME TREATMENT | |
| Unit rating (i.e., GPM, pounds per gallon): N/A | Manufacturer: | |
| | FILTRATION | |
| Type and size of area: N/A | | |
| Pressure (in square feet): | Manufacturer: | |
| Gravity (in GPM/square feet): | Manufacturer: | |

FILITY NAME:

PLACID LAKES UTILITIES, INC.

STEM NAME / COUNTY:

Highlands

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

| METER SIZE (a) | TYPE OF METER (b) | EQUIVALENT FACTOR (c) | NUMBER OF METERS (d) | TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e) |
|----------------------|-----------------------------------|-----------------------------|-------------------------------|---|
| All Residenti | ial | 1.0 | | |
| 5/8" | Displacement | 1.0 | 1,880 | 1,880 |
| 3/4" | Displacement | 1.5 | 1,000 | 1,000 |
| 1" | Displacement | 2.5 | 30 | 75 |
| 1 1/2" | Displacement or Turbine | 5.0 | 1 | 5 |
| 2" | Displacement, Compound or Turbine | 8.0 | 7 | 56 |
| 3" | Displacement | 15.0 | | |
| 3" | Compound | 16.0 | | |
| 3" | Turbine | 17.5 | | |
| 4" | Displacement or Compound | 25.0 | | |
| 4" | Turbine | 30.0 | | Maria Cara Cara Cara Cara Cara Cara Cara |
| 6" | Displacement or Compound | 50.0 | | |
| 6" | Turbine | 62.5 | | |
| 8" | Compound | 80.0 | | |
| 8" | Turbine | 90.0 | - | |
| 10" | Compound | 115.0 | | |
| 10" | Turbine | 145.0 | | |
| 12" | Turbine | 215.0 | | |
| | | Total Water System M | eter Equivalents | 2,016 |

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

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

 ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC Calculation:

105382215/1867/365 = 154.65

287208/154.65= 1,857

287,208 GPD of average daily system demand

(STEM NAME / COUNTY:

| Highlands | | |
|-----------|--|--|
| manus | | |

OTHER WATER SYSTEM INFORMATION

| Furnish information below for each syst | tem. A separate page sho | ould be supplied where necessary. |
|--|---------------------------|-----------------------------------|
| Present ERC's * the system can efficiently serve. | | |
| * which can be served. | 2,349 | |
| 3. Present system connection capacity (in ERCs *) usin | g existing lines. | 4,925 |
| I. Future connection capacity (in ERCs *) upon service | area buildout. | 8,454 |
| 5. Estimated annual increase in ERCs *. | | 100 |
| 5. Is the utility required to have fire flow capacity? If so, how much capacity is required? | | Yes 120,000 GPD |
| 7. Attach a description of the fire fighting facilities. | 300,000 Gals of Stora | age and 34 Hydrants |
| 3. Describe any plans and estimated completion dates for | or any enlargements or in | nprovements of this system. |
| | | |
| O. When did the company last file a capacity analysis re O. If the present system does not meet the requirements | | |
| a. Attach a description of the plant upgrade n | necessary to meet the DE | P rules. |
| b. Have these plans been approved by DEP? | | |
| c. When will construction begin? | | |
| d. Attach plans for funding the required upgr | ading. | |
| e. Is this system under any Consent Order wi | th DEP? | |
| Department of Environmental Protection ID # | 5280223 | |
| 2. Water Management District Consumptive Use Perm | it i 204980.05 | |
| a. Is the system in compliance with the require | rements of the CUP? | Yes |
| | | |

W-14 GROUP _____ SYSTEM _____

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

WASTEWATER

OPERATING

SECTION

Note:

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