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CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

OF

HIGHLANDS UTILITIES CORPORATION
Exact Legal Name of Respondent

SU299-09-AR

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31,

2009

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DEPARTMENT OF
ECONOMIC REGULATION

Lisa Sherman, C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANT

111 EAST PARK STREET
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To the Board of Directors
Highlands Utilities, Inc.
Lake Placid, FL

I have compiled the comparative balance sheets of Highlands Utilities, Inc. as of December 31, 2009 and 2008, and the related statement of operations and retained earnings for the year ended December 31, 2009 and supplementary information included in the accompanying prescribed form in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Florida Public Service Commission information that is the representation of management. I have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which may differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.


Lisa Sherman, CPA, PA

April 26, 2010

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 preceding 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

HIGHLANDS UTILITIES CORPORATION
(EXACT NAME OF UTILITY)

411 KENT AVE, LAKE PLACID, FL 33852 Mailing Address	411 KENT AV Street Address	HIGHLANDS County
--	-------------------------------	---------------------

Telephone Number 863-465-1296 Date Utility First Organized 07/24/81

Fax Number 863-465-7796 E-mail Address huco@htn.net

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

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

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: HIGHLANDS UTILITIES CORPORATION
411 KENT AVE LAKE PLACID, FL 33852

Name of subdivisions where services are provided: _____

CONTACTS:

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>DIXON PUGH</u>	<u>PRESIDENT</u>	<u>411 KENT AVE</u> <u>LAKE PLACID, FL 33852</u>	
Person who prepared this report: <u>ROBERT MARCHEWKA</u>	<u>CPA</u>	<u>111 E PARK STREET</u> <u>LAKE PLACID, FL 33852</u>	
Officers and Managers: <u>LORRI LAMMIE</u>	<u>OFFICE MGR</u>	<u>411 KENT AVE</u> <u>LAKE PLACID, FL 33852</u>	\$ <u>53250</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>DIXON PUGH</u>	<u>100</u>	<u>SEE ABOVE</u>	\$ <u>10427</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ _____	\$ 28,237	\$ _____	\$ 28,237
Commercial_____		_____	76,814	_____	76,814
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	15,626	_____	15,626
Guaranteed Revenues_____		_____	_____	_____	_____
Other (Specify)_____		_____	185	_____	185
Total Gross Revenue_____		\$ _____	\$ 120,862	\$ _____	\$ 120,862
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ _____	\$ 383,792	\$ _____	\$ 383,792
Depreciation Expense_____	F-5	_____	21,025	_____	21,025
CIAC Amortization Expense_____	F-8	_____	-6,803	_____	-6,803
Taxes Other Than Income_____	F-7	_____	18,885	_____	18,885
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ _____	416,899	_____	\$ 416,899
Net Operating Income (Loss)		\$ _____	\$ -296,037	\$ _____	\$ -296,037
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
INTEREST INCOME		_____	25,026	_____	25,026
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	10,158	_____	10,158
Net Income (Loss)		\$ _____	\$ -281,169	\$ _____	\$ -281,169

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 648992	\$ 643817
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>432897</u>	<u>411872</u>
Net Utility Plant -----		\$ <u>216095</u>	\$ <u>231945</u>
Cash -----		11485	181329
Customer Accounts Receivable (141) -----		17465	49967
Other Assets (Specify): -----			
NOTE RECEIVABLE -----		604513	800000
EMPLOYEE ADVANCES -----		9943	10458
Total Assets -----		\$ <u>859501</u>	\$ <u>1273699</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	760	760
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		76990	76990
Retained Earnings (215) -----	F-6	-658249	-377080
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ -580499	\$ -299330
Long Term Debt (224) -----	F-6	\$ 311807	\$ 400495
Accounts Payable (231) -----		36680	42393
Notes Payable (232) -----		715247	700221
Customer Deposits (235) -----			
Accrued Taxes (236) -----		1986	11509
Other Liabilities (Specify) -----			
ACCRUED INTEREST -----		374280	411608
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8		6803
Total Liabilities and Capital -----		\$ <u>859501</u>	\$ <u>1273699</u>

UTILITY NAME HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT
DECEMBER 31, 2009

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ _____	\$ <u>648992</u>	\$ _____	\$ <u>648992</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>_____</u>	\$ <u>648992</u>	\$ <u>_____</u>	\$ <u>648992</u>

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ _____	\$ <u>411872</u>	\$ _____	\$ <u>411872</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ _____	\$ <u>21025</u>	\$ _____	\$ <u>21025</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ <u>_____</u>	\$ <u>21025</u>	\$ <u>_____</u>	\$ <u>21025</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>_____</u>	\$ <u>432897</u>	\$ <u>_____</u>	\$ <u>432897</u>

UTILITY NAME: HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	10	_____
Shares authorized _____	1000	_____
Shares issued and outstanding _____	76	_____
Total par value of stock issued _____	760	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ -377080
Changes during the year (Specify): <u>LOSS FOR THE YEAR</u>	_____	-281169
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ -658249

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	
<u>DUE TO AFFILATES</u> 0.82%	_____	_____	\$ 311807
_____	_____	_____	_____
_____	_____	_____	_____
Total _____	_____	_____	\$ 311807

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 _____	_____	4856	_____	4856
Regulatory assessment fee _____	_____	5439	_____	5439
Other (Specify) _____	_____	_____	_____	_____
payroll taxes _____	_____	8590	_____	8590
Total Tax Expense _____	\$ _____	\$ 18885	\$ _____	\$ 18885

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

<p>Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.</p>			
Name of Recipient	Water Amount	Wastewater Amount	Description of Service
LISA SHERMAN, CPA, PA	\$ _____	14260	ACCOUNTING AND TAX SERVICES
ROSE, SUNDSTRON & BENTLEY	\$ _____	30071	LEGAL SERVICES
JIM MCCOLLUM	\$ _____	3000	LEGAL SERVICES
PUGH UTILITIES SERVICE INC	\$ _____	10875	CONTRACT SERVICES
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ _____	\$ <u>227668</u>	\$ <u>227668</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	_____	_____	_____
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	_____	_____	_____
6) Less Accumulated Amortization _____	_____	<u>227668</u>	<u>227668</u>
7) Net CIAC _____	\$ _____	\$ <u>0</u>	\$ <u>0</u>

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

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Sub-total _____	_____	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ _____	\$ <u>220865</u>	\$ <u>220865</u>
Add Debits During Year: _____	_____	<u>6803</u>	<u>6803</u>
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ _____	\$ <u>227668</u>	\$ <u>227668</u>

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

UTILITY NAME: _____

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)	_____	_____ %	_____ %	_____ %
Total	\$ _____	100.00 %		_____ %

(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

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-7 have been omitted from this report.

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	346	_____	_____	346
353	Land and Land Rights_____	2378	_____	_____	2378
354	Structures and Improvements_____	46824	_____	_____	46824
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	56962	_____	_____	56962
361	Collection Sewers - Gravity_____	52155	_____	_____	52155
362	Special Collecting Structures_____	1333	_____	_____	1333
363	Services to Customers_____	2041	_____	_____	2041
364	Flow Measuring Devices_____	936	1493	_____	2429
365	Flow Measuring Installations_____	1965	_____	_____	1965
370	Receiving Wells_____	28694	_____	_____	28694
371	Pumping Equipment_____	154501	_____	_____	154501
380	Treatment and Disposal Equipment_____	28157	_____	_____	28157
381	Plant Sewers_____	3942	_____	_____	3942
382	Outfall Sewer Lines_____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	3756	_____	_____	3756
390	Office Furniture and Equipment_____	21326	3108	_____	24434
391	Transportation Equipment_____	189677	_____	_____	189677
392	Stores Equipment_____	1607	_____	_____	1607
393	Tools, Shop and Garage Equipment_____	13880	_____	_____	13880
394	Laboratory Equipment_____	_____	_____	_____	_____
395	Power Operated Equipment_____	_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____	_____
397	Miscellaneous Equipment_____	25269	574	_____	25843
398	Other Tangible Plant_____	8068	_____	_____	8068
	Total Wastewater Plant_____	\$ 643817	\$ 5175	\$ _____	\$ 648992 *

* This amount should tie to sheet F-5.

UTILITY NAME: HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT
DECEMBER 31, 2009

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

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)
		32			\$ 11859	\$	\$ 1466	\$ 13325
354	Structures and Improvements		%	3.13 %				
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force	30		3.33 %	35136		1897	37033
361	Collection Sewers - Gravity	45		2.22 %	34699		1158	35857
362	Special Collecting Structures	40		2.5 %	752		33	785
363	Services to Customers	38		2.63 %	1030		54	1084
364	Flow Measuring Devices	5		20 %	10113		-7684	2429
365	Flow Measuring Installations	38		2.63 %	1643		52	1695
370	Receiving Wells	30		3.33 %	12035		956	12991
371	Pumping Equipment	18		5.56 %	65195		8590	73785
380	Treatment and Disposal Equipment	18		5.56 %	24779		1566	26345
381	Plant Sewers	35		2.86 %	751		113	864
382	Outfall Sewer Lines			%				
389	Other Plant and Miscellaneous Equipment	18		5.56 %	4013		-257	3756
390	Office Furniture and Equipment	15		6.67 %	2594		1425	4019
391	Transportation Equipment	6		16.67 %	180399		9278	189677
392	Stores Equipment	18		5.56 %	1811		-204	1607
393	Tools, Shop and Garage Equipment	16		6.25 %	3677		868	4545
394	Laboratory Equipment			%				
395	Power Operated Equipment	12		8.33 %	-2980			-2980
396	Communication Equipment	10		10 %				
397	Miscellaneous Equipment	15		6.67 %	7428		1714	9142
398	Other Tangible Plant	10		10 %	16938			16938
	Totals				\$ 411872	\$	\$ 21025	\$ 432897 *

* This amount should tie to Sheet F-5.

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 29621
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	69020
704	Employee Pensions and Benefits	3063
710	Purchased Wastewater Treatment	_____
711	Sludge Removal Expense	4640
715	Purchased Power	32374
716	Fuel for Power Production	_____
718	Chemicals	14813
720	Materials and Supplies	66093
730	Contractual Services:	_____
	Billing	_____
	Professional	47331
	Testing	_____
	Other	54754
740	Rents	15266
750	Transportation Expense	11528
755	Insurance Expense	32208
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
770	Bad Debt Expense	_____
775	Miscellaneous Expenses	3081
	Total Wastewater Operation And Maintenance Expense	\$ 383792 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers Start of Year (d)	End of Year (e)	Total Number of Meter Equivalents (c x e) (f)
Residential Service					
All meter sizes	D	1.0	179	179	179
General Service					
5/8"	D	1.0	78	78	78
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	1	1	15
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Total			<u>258</u>	<u>258</u>	<u>272</u>

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: _____ HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

PUMPING EQUIPMENT

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Make or Type and nameplate data on pump _____	_____	_____	_____	_____	_____	_____
Year installed _____	<u>1992</u>	<u>1980</u>	<u>1988</u>	<u>1982</u>	<u>1978</u>	<u>1994</u>
Rated capacity _____	_____	_____	_____	_____	_____	_____
Size _____	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>1</u>
Power:						
Electric _____	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	<u>4</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>4</u>	<u>4</u>
Type (PVC, VCP, etc.) _____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>
Average length _____	<u>30'</u>	<u>30'</u>	_____	<u>50'</u>	<u>60'</u>	<u>50'</u>
Number of active service connections _____	<u>38</u>	<u>50</u>	<u>1</u>	<u>12</u>	<u>27</u>	<u>5</u>
Beginning of year _____	<u>38</u>	<u>50</u>	<u>1</u>	<u>12</u>	<u>27</u>	<u>5</u>
Added during year _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Retired during year _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year _____	<u>38</u>	<u>50</u>	<u>1</u>	<u>12</u>	<u>27</u>	<u>5</u>
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches) _____	<u>8</u>	<u>6</u>	_____	_____	<u>4</u>	_____	_____	_____
Type of main _____	<u>PVC</u>	<u>PVC</u>	_____	_____	<u>PVC</u>	_____	_____	_____
Length of main (nearest foot) _____	<u>13156</u>	<u>2725</u>	_____	_____	<u>45075</u>	_____	_____	_____
Beginning of year _____	<u>13156</u>	<u>2725</u>	_____	_____	<u>45075</u>	_____	_____	_____
Added during year _____	<u>0</u>	<u>0</u>	_____	_____	<u>0</u>	_____	_____	_____
Retired during year _____	<u>0</u>	<u>0</u>	_____	_____	<u>0</u>	_____	_____	_____
End of year _____	<u>13156</u>	<u>2725</u>	_____	_____	<u>45075</u>	_____	_____	_____

MANHOLES

Size (inches) _____	<u>48</u>	_____	_____	_____
Type of Manhole _____	_____	_____	_____	_____
Number of Manholes:				
Beginning of year _____	<u>60</u>	_____	_____	_____
Added during year _____	<u>0</u>	_____	_____	_____
Retired during year _____	<u>0</u>	_____	_____	_____
End of Year _____	<u>60</u>	_____	_____	_____

UTILITY NAME: _____ HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

PUMPING EQUIPMENT

Lift Station Number _____	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	---
Make or Type and nameplate data on pump _____	---	---	---	---	---	---
Year installed _____	<u>1978</u>	<u>1985</u>	<u>1985</u>	<u>1988</u>	<u>1985</u>	---
Rated capacity _____	---	---	---	---	---	---
Size _____	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	---
Power:						
Electric _____	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	<u>3PH</u>	---
Mechanical _____	---	---	---	---	---	---
Nameplate data of motor _____	---	---	---	---	---	---

SERVICE CONNECTIONS

Size (inches) _____	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>6</u>
Type (PVC, VCP, etc.) _____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>
Average length _____	<u>NA</u>	<u>10'</u>	<u>40'</u>	<u>40'</u>	<u>25'</u>	<u>NA</u>
Number of active service connections _____	<u>22</u>	<u>24</u>	<u>11</u>	<u>42</u>	<u>18</u>	<u>1</u>
Beginning of year _____	<u>22</u>	<u>24</u>	<u>11</u>	<u>42</u>	<u>18</u>	<u>1</u>
Added during year _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Retired during year _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year _____	<u>22</u>	<u>24</u>	<u>11</u>	<u>42</u>	<u>18</u>	<u>1</u>
Give full particulars concerning inactive connections _____	---	---	---	---	---	---

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches) _____	---	---	---	---	---	---	---	---
Type of main _____	---	---	---	---	---	---	---	---
Length of main (nearest foot) _____	---	---	---	---	---	---	---	---
Beginning of year _____	---	---	---	---	---	---	---	---
Added during year _____	---	---	---	---	---	---	---	---
Retired during year _____	---	---	---	---	---	---	---	---
End of year _____	---	---	---	---	---	---	---	---

MANHOLES

Size (inches) _____	---	---	---	---
Type of Manhole _____	---	---	---	---
Number of Manholes:				
Beginning of year _____	---	---	---	---
Added during year _____	---	---	---	---
Retired during year _____	---	---	---	---
End of Year _____	---	---	---	---

UTILITY NAME: _____ HIGHLANDS UTILITIES CORPORATION

YEAR OF REPORT DECEMBER 31, 2009

SYSTEM NAME: _____

TREATMENT PLANT

Manufacturer _____	DEFIANCE/PUGH		
Type _____	EXTENDED AERATION	_____	_____
"Steel" or "Concrete" _____	_____	_____	_____
Total Permitted Capacity _____	.060MGD	_____	_____
Average Daily Flow _____	64,967	_____	_____
Method of Effluent Disposal _____	PERCULATION 2 PONDS	_____	_____
Permitted Capacity of Disposal _____	.060MGD	_____	_____
Total Gallons of Wastewater treated _____	22.857mg	_____	_____

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 _____	2237000	_____	2237000
February _____	1730000	_____	1730000
March _____	2185000	_____	2185000
April _____	1956000	_____	1956000
May _____	2068000	_____	2068000
June _____	1699000	_____	1699000
July _____	2303000	_____	2303000
August _____	1486000	_____	1486000
September _____	1765000	_____	1765000
October _____	1676000	_____	1676000
November _____	1760000	_____	1760000
December _____	1992000	_____	1992000
Total for year _____	22857000	0	22857000

If Wastewater Treatment is purchased, indicate the vendor: _____

CERTIFICATION OF ANNUAL REPORT

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

- | | | | |
|--|--------------------------------|----|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents. |

Items Certified

1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>		*
				(signature of chief executive officer of the utility)	

Date: 4-28-10

1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>		*
				(signature of chief financial officer of the utility)	

Date: 4-28-10

* 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
Wastewater Operations
Class C**

Company: HIGHLANDS UTILITIES CORPORATION

For the Year Ended December 31, ____ 2009

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. F-3	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	28237	28237	\$ _____
Commercial	76814	76814	_____
Industrial	_____	_____	_____
Multiple Family	15626	15626	_____
Guaranteed Revenues	_____	_____	_____
Other	185	185	_____
Total Wastewater Operating Revenue	120862	120862	\$ _____
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	120862	120862	\$ _____

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).