

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

OF
SU526-06-AR & WU649-06-AR
C & H Utilities, Inc.

Exact Legal Name of Respondent

536-W 423-S
Certificate Number(s)

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL SECTION

REPORT OF

C & H Utilities, Inc.
(EXACT NAME OF UTILITY)

P.O. Box 1088 Sebring, FL 33871-1088	431 S Pine Street Sebring, FL 33870	Highlands
Mailing Address	Street Address	County

Telephone Number (863) 471-1400 Date Utility First Organized 5-11-87

Fax Number _____ E-mail Address _____

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: 431 S Pine Street
Sebring, FL 33870

Name of subdivisions where services are provided: Valencia Acres and Hickory Ridge

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>Wendell L. Faircloth</u>	<u>President</u>	<u>P.O. Box 1088</u> <u>Sebring, FL 33871-1088</u>	
Person who prepared this report: <u>The NCT Group CPA's, L.L.P.</u>	<u>CPA</u>	<u>435 South Commerce Ave.</u> <u>Sebring, FL 33870</u>	
Officers and Managers: <u>Wendell L. Faircloth</u>	<u>President</u>	<u>Same</u>	\$ <u>1,200</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	Principle Business Address	Salary Charged Utility
<u>Wendell L. Faircloth</u>	<u>50%</u>	<u>Same</u>	\$ <u>1,200</u>
<u>Mary Jane Faircloth</u>	<u>50%</u>	<u>Same</u>	\$ <u>1,200</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 8,277	\$ 13,167	\$ _____	\$ 21,444
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue__		\$ 8,277	\$ 13,167	\$ _____	\$ 21,444
Operation Expense (Must tie to pages W-3 and S-3)					
	W-3 S-3	\$ 7,463	\$ 14,567	\$ _____	\$ 22,030
Depreciation Expense____	F-5	1,273	582	_____	1,855
CIAC Amortization Expense_	F-8	(47)	0	_____	(47)
Taxes Other Than Income__	F-7	379	673	_____	1,052
Income Taxes_____	F-7	0	0	_____	0
Total Operating Expense		\$ 9,068	15,822	_____	\$ 24,890
Net Operating Income (Loss)		\$ (791)	\$ (2,655)	\$ _____	\$ (3,446)
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		_____	_____	_____	_____
Amortization - loan_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ (791)	\$ (2,655)	\$ _____	\$ (3,446)

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 34,771	\$ 34,771
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	(18,417)	(16,568)
Net Utility Plant -----		\$ 16,354	\$ 18,203
Cash -----		684	716
Customer Accounts Receivable (141) -----		377	396
Other Assets (Specify): -----			
Deposits -----		195	195
Loans to Shareholders -----		4,343	4,343
Total Assets -----		\$ 21,953	\$ 23,853
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	500	500
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		257	257
Retained Earnings (215) -----	F-6	(42,200)	(38,754)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
Total Capital -----		\$ (41,443)	\$ (37,997)
Long Term Debt (224) -----	F-6	\$ 50,318	\$ 49,678
Accounts Payable (231) -----			
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Accrued Wages -----		12,000	9,600
Customer Deposits -----		0	1,447
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	1,078	1,125
Total Liabilities and Capital -----		\$ 21,953	\$ 23,853

UTILITY NAME C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service	\$ 15,845	\$ 18,926	\$	\$ 34,771

Construction Work in Progress (105)				

Other (Specify)				

Total Utility Plant	\$ 15,845	\$ 18,926	\$	\$ 34,771

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year	\$ 4,912	\$ 11,656	\$	\$ 16,568
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account	\$ 1,273	\$ 582	\$	\$ 1,855

Salvage				

Other Credits (specify)				

Total Credits	\$ 1,273	\$ 582	\$	\$ 1,855
<u>Deduct Debits During Year:</u>				
Book cost of plant retired	\$ 0	\$ 0	\$	\$ 0

Cost of removal				

Other debits (specify)				

Total Debits	\$ 0	\$ 0	\$	\$ 0
Balance End of Year	\$ 6,185	\$ 12,238	\$	\$ 18,423

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	_____
Shares authorized _____	6,000	_____
Shares issued and outstanding _____	500	_____
Total par value of stock issued _____	\$ 500	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ (38,754)
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	(3,446)
_____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ (42,200)

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	
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ _____

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

TAXES ACCRUED (236)

(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_____	_____	_____	_____	_____
Regulatory assessment fee__	319	583	_____	902
Other (Specify) _____	_____	_____	_____	_____
Licenses and other taxes_____	60	90	_____	150
Total Taxes Accrued_____	\$ 379	\$ 673	\$ _____	\$ 1,052

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>Short Environmental Labs, Inc.</u>	\$ 484	\$ 3,020	<u>Water testing</u>
<u>The NCT Group CPA's, L.L.P.</u>	\$ 680	\$ 1,020	<u>Accounting and consulting</u>
<u>Larry Howard</u>	\$ 375	\$ 900	<u>Lawn services</u>
<u>Pugh Utilities</u>	\$ 0	\$ 3,938	<u>Sludge Hauling & Maintenance</u>
<u>Amp Check Electric</u>	\$ 2808	\$ 0	<u>Maintenance</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 1,500	\$ _____	\$ 1,500
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	1,500	_____	1,500
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	1,500	_____	1,500
6) Less Accumulated Amortization _____	(422)	_____	(422)
7) Net CIAC _____	\$ 1,078	\$ _____	\$ 1,078

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
None _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____
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	
None _____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 375	\$ _____	\$ 375
Add Credits During Year: _____	47	_____	47
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ 422	\$ _____	\$ 422

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

UTILITY NAME C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

N/A

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	\$ _____	<u>100.00</u> %		_____ %

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

APPROVED AFUDC RATE

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

**WATER
OPERATING
SECTION**

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____				
303	Land and Land Rights _____	820			820
304	Structures and Improvements _____				
305	Collecting and Impounding Reservoirs _____				
306	Lake, River and Other Intakes _____				
307	Wells and Springs _____				
308	Infiltration Galleries and Tunnels _____				
309	Supply Mains _____				
310	Power Generation Equipment _____	8444			8444
311	Pumping Equipment _____	6132			6132
320	Water Treatment Equipment _____				
330	Distribution Reservoirs and Standpipes _____				
331	Transmission and Distribution Lines _____				
333	Services _____				
334	Meters and Meter Installations _____				
335	Hydrants _____				
336	Backflow Prevention Devices _____				
339	Other Plant and Miscellaneous Equipment _____				
340	Office Furniture and Equipment _____	449			449
341	Transportation Equipment _____				
342	Stores Equipment _____				
343	Tools, Shop and Garage Equipment _____				
344	Laboratory Equipment _____				
345	Power Operated Equipment _____				
346	Communication Equipment _____				
347	Miscellaneous Equipment _____				
348	Other Tangible Plant _____				
	Total Water Plant _____	\$ 15845	\$ 0	\$ 0	\$ 15845

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements			%	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs			%				
306	Lake, River and Other Intakes			%				
307	Wells and Springs			%				
308	Infiltration Galleries & Tunnels			%				
309	Supply Mains			%				
310	Power Generating Equipment	17		5.88	701		740	1441
311	Pumping Equipment	7		14.3	3762		533	4295
320	Water Treatment Equipment			%				
330	Distribution Reservoirs & Standpipes			%				
331	Trans. & Dist. Mains			%				
333	Services			%				
334	Meter & Meter Installations			%				
335	Hydrants			%				
336	Backflow Prevention Devices			%				
339	Other Plant and Miscellaneous Equipment			%				
340	Office Furniture and Equipment	Various		Various	449		0	449
341	Transportation Equipment			%				
342	Stores Equipment			%				
343	Tools, Shop and Garage Equipment			%				
344	Laboratory Equipment			%				
345	Power Operated Equipment			%				
346	Communication Equipment			%				
347	Miscellaneous Equipment			%				
348	Other Tangible Plant			%				
	Totals				\$ 4912	\$ 0	\$ 1273	\$ 6185 *

* This amount should tie to Sheet F-5.

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____ 960
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	_____ 1,172
616	Fuel for Power Production_____	_____
618	Chemicals_____	_____ 240
620	Materials and Supplies_____	_____
630	Contractual Services:	_____
	Billing_____	_____
	Professional_____	_____ 680
	Testing_____	_____ 484
	Other_____	_____ 3,385
640	Rents_____	_____
650	Transportation Expense_____	_____
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses__(bank charges, postage, office exp., dues & memb., & R/M)_____	_____ 542
	Total Water Operation And Maintenance Expense_____	\$ _____ 7,463 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	51	51	51
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	_____	_____	_____
Total			51	51	51

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

SYSTEM NAME: Hickory Ridge

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January_____	_____	161	_____	161	161
February_____	_____	154	_____	154	154
March_____	_____	201	_____	201	201
April_____	_____	190	_____	190	190
May_____	_____	189	_____	189	189
June_____	_____	131	_____	131	131
July_____	_____	126	_____	126	126
August_____	_____	167	_____	167	167
September_____	_____	142	_____	142	142
October_____	_____	201	_____	201	201
November_____	_____	178	_____	178	178
December_____	_____	183	_____	183	183
Total for Year_____	_____	2,023	_____	2,023	2,023

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2"	6,333	0	0	6,333
PVC	4"	945	0	0	945
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

SYSTEM NAME: Hickory Ridge

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1988	_____	_____	_____
Types of Well Construction and Casing _____	Steel	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	800'	_____	_____	_____
Diameters of Wells _____	4"	_____	_____	_____
Pump - GPM _____	60 GPM	_____	_____	_____
Motor - HP _____	SHP	_____	_____	_____
Motor Type * _____	Centrifugal	_____	_____	_____
Yields of Wells in GPD _____	80,000	_____	_____	_____
Auxiliary Power _____	No	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	Pneumatic	_____	_____	_____
Capacity of Tank _____	_____	_____	_____	_____
Ground or Elevated _____	Ground	_____	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<u>Pumps</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME:

C & H Utilities, Inc. _____

YEAR OF REPORT DECEMBER 31, 2006

Hickory Ridge _____

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_____	6,112	_____	_____
Type of Source_____	Ground Water	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_____	Liquid	_____	_____
Make_____	Chem-Tech	_____	_____
Permitted Capacity (GPD)_____	24	_____	_____
High service pumping	_____	_____	_____
Gallons per minute_____	_____	_____	_____
Reverse Osmosis_____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._____	_____	_____	_____
Gravity GPD/Sq.Ft._____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_____	_____	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	_____	_____	_____

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: Hickory Ridge

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 15 $[(2,023,000 / 365) / 350 = 15.84]$
2. Maximum number of ERCs * which can be served. 229 $(80,000 / 350 = 229)$
3. Present system connection capacity (in ERCs *) using existing lines. 15
4. Future connection capacity (in ERCs *) upon service area buildout. 120
5. Estimated annual increase in ERCs *. 1 - 5
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? N/A
7. Attach a description of the fire fighting facilities. N/A
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None
9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules, submit the following: N/A
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP?
 - c. When will construction begin?
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP?
11. Department of Environmental Protection ID # D028155176
12. Water Management District Consumptive Use Permit # N/A
 - a. Is the system in compliance with the requirements of the CUP? _____
 - b. If not, what are the utility's plans to gain compliance? _____

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

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT	
DECEMBER 31,	2006

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____	_____
353	Land and Land Rights _____	4,589	_____	_____	4,589
354	Structures and Improvements _____	2,836	_____	_____	2,836
355	Power Generation Equipment _____	_____	_____	_____	_____
360	Collection Sewers - Force _____	2,000	_____	_____	2,000
361	Collection Sewers - Gravity _____	2,819	_____	_____	2,819
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	_____	_____	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	_____	_____	_____	_____
380	Treatment and Disposal Equipment _____	_____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment _____	5,794	_____	_____	5,794
390	Office Furniture and Equipment _____	888	_____	_____	888
391	Transportation Equipment _____	_____	_____	_____	_____
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	_____	_____	_____	_____
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	_____	_____	_____	_____
	Total Wastewater Plant _____	\$ <u>18,926</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>18,926</u> *

* This amount should tie to sheet F-5.

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)
354	Structures and Improvements	7	%	14.3 %	\$ 2,055	\$	\$ 84	\$ 2,139
355	Power Generation Equipment		%					
360	Collection Sewers - Force	7	%	14.3 %	2,000		0	2,000
361	Collection Sewers - Gravity	15	%	6.7 %	2,820		0	2,820
362	Special Collecting Structures		%					
363	Services to Customers		%					
364	Flow Measuring Devices		%					
365	Flow Measuring Installations		%					
370	Receiving Wells		%					
371	Pumping Equipment		%					
380	Treatment and Disposal Equipment		%					
381	Plant Sewers		%					
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment	7	%	14.3 %	3,893		498	4,391
390	Office Furniture and Equipment	Various	%	Various %	888		0	888
391	Transportation Equipment		%					
392	Stores Equipment		%					
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%					
	Totals				\$ 11,656	\$ 0	\$ 582	\$ 12,238 *

* This amount should tie to Sheet F-5.

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	1,440
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	3,360
715	Purchased Power_____	1,073
716	Fuel for Power Production_____	_____
718	Chemicals_____	2,400
720	Materials and Supplies_____	_____
730	Contractual Services:	_____
	Billing_____	_____
	Professional_____	1,020
	Testing_____	3,020
	Other_____	1,478
740	Rents_____	_____
750	Transportation Expense_____	_____
755	Insurance Expense_____	_____
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses (bank charges, postage, office exp., dues & memb., & R/M)_____	776
	Total Wastewater Operation And Maintenance Expense_____	\$ 14,567 *

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify)	_____	_____	93	93	93
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	93	93

UTILITY NAME:

C & H Utilities, Inc.

YEAR OF REPORT

DECEMBER 31,

2006

PUMPING EQUIPMENT

Lift Station Number _____	1	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____	Goulds	_____	_____	_____	_____	_____
Year installed _____	1993	_____	_____	_____	_____	_____
Rated capacity _____	50 GPM	_____	_____	_____	_____	_____
Size _____	1 HP	_____	_____	_____	_____	_____
Power:						
Electric _____	Electric	_____	_____	_____	_____	_____
Mechanical _____		_____	_____	_____	_____	_____
Nameplate data of motor _____	Goulds	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	4"	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	_____	_____	_____	_____	_____
Average length _____	10'	_____	_____	_____	_____	_____
Number of active service connections _____	93	_____	_____	_____	_____	_____
Beginning of year _____	92	_____	_____	_____	_____	_____
Added during year _____	1	_____	_____	_____	_____	_____
Retired during year _____	0	_____	_____	_____	_____	_____
End of year _____	93	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	N/A	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains			
Size (inches) _____	6"	8"	_____	_____	_____	_____	_____
Type of main _____	PVC	PVC	_____	_____	_____	_____	_____
Length of main (nearest foot) _____	1,365	3,531	_____	_____	_____	_____	_____
Beginning of year _____	1,365	3,531	_____	_____	_____	_____	_____
Added during year _____	0	0	_____	_____	_____	_____	_____
Retired during year _____	0	0	_____	_____	_____	_____	_____
End of year _____	1,365	3,531	_____	_____	_____	_____	_____

MANHOLES

Size (inches) _____	70"	_____	_____	_____
Type of Manhole _____	Concrete	_____	_____	_____
Number of Manholes:				
Beginning of year _____	30	_____	_____	_____
Added during year _____	0	_____	_____	_____
Retired during year _____	0	_____	_____	_____
End of Year _____	30	_____	_____	_____

UTILITY NAME: C & H Utilities, Inc.

SYSTEM NAME: Valencia Acres

YEAR OF REPORT DECEMBER 31, 2006

TREATMENT PLANT

Manufacturer_____	<u>Triad - Tech</u>	_____	_____
Type_____	<u>Extended Air</u>	_____	_____
"Steel" or "Concrete"_____	<u>Concrete</u>	_____	_____
Total Permitted Capacity_____	<u>10,000 GPD</u>	_____	_____
Average Daily Flow_____	<u>3,600 GPD</u>	_____	_____
Method of Effluent Disposal_____	<u>Perk Pond</u>	_____	_____
Permitted Capacity of Disposal_____	_____	_____	_____
Total Gallons of Wastewater treated_____	<u>1,741,000</u>	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer_____	<u>Goulds</u>	<u>Goulds</u>	_____	_____	_____	_____
Capacity (GPM's)_____	<u>50 GPM</u>	<u>40 GPM</u>	_____	_____	_____	_____
Motor:						
Manufacturer_____	_____	_____	_____	_____	_____	_____
Horsepower_____	<u>1 HP</u>	<u>3/4 HP</u>	_____	_____	_____	_____
Power (Electric or Mechanical)_____	<u>Electric</u>	<u>Electric</u>	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	<u>237,000</u>	_____	<u>237,000</u>
February_____	<u>144,000</u>	_____	<u>144,000</u>
March_____	<u>167,000</u>	_____	<u>167,000</u>
April_____	<u>139,000</u>	_____	<u>139,000</u>
May_____	<u>120,000</u>	_____	<u>120,000</u>
June_____	<u>107,000</u>	_____	<u>107,000</u>
July_____	<u>111,000</u>	_____	<u>111,000</u>
August_____	<u>126,000</u>	_____	<u>126,000</u>
September_____	<u>101,000</u>	_____	<u>101,000</u>
October_____	<u>127,000</u>	_____	<u>127,000</u>
November_____	<u>170,000</u>	_____	<u>170,000</u>
December_____	<u>192,000</u>	_____	<u>192,000</u>
Total for year_____	<u>1,741,000</u>	_____	<u>1,741,000</u>

If Wastewater Treatment is purchased, indicate the vendor: _____ N/A _____

UTILITY NAME: C & H Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: Valencia Acres

GENERAL WASTEWATER SYSTEM INFORMATION

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

- 1. Present number of ERCs* now being served. 17 $[(1,741,000/365)/280 = 17.03]$
- 2. Maximum number of ERCs* which can be served. 35 $(10,000/280 = 35.71)$
- 3. Present system connection capacity (in ERCs*) using existing lines. 17
- 4. Future connection capacity (in ERCs*) upon service area buildout. N/A
- 5. Estimated annual increase in ERCs*. 1 - 2

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

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

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A
If so, when? N/A

9. Has the utility been required by the DEP or water management district to implement reuse? NO
If so, what are the utility's plans to comply with this requirement? N/A

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

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

- a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
- b. Have these plans been approved by DEP? N/A
- c. When will construction begin? N/A
- d. Attach plans for funding the required upgrading. N/A
- e. Is this system under any Consent Order with DEP? N/A

12. Department of Environmental Protection ID # D028155176

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

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

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

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

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


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)
Wendell L. Faircloth, President

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

(signature of chief financial officer of the utility)

* 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.