

**OFFICIAL COPY
Public Service Commission
Do Not Remove from this Office**

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

Commercial Utilities, Division of Grace and Company, Inc.
Exact Legal Name of Respondent

WS090-06-AR
Certificate Number(s)

Submitted To The

STATE OF FLORIDA



FOR THE

YEAR ENDED DECEMBER 31, 2006

07 APR 2007 10:00 AM
PSC

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties. Part I and II	E-10
Parent / Affiliate Organization Chart	E-5		
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Year End Rate Base	F-4	Capital Stock	F-15
Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances from Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Other Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Miscellaneous Current & Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-20
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid of Construction	F-22
Accounts Receivable from Associated Companies	F-12	Accumulated Amortization of CIAC	F-22
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Water Listing of System Groups	W-1	CIAC Additions / Amortization	W-8
Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water Statistics, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions In Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Wastewater Listing of System Groups	S-1	Contributions In Aid of Construction	S-7
Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Calculation of ERC's	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE SUMMARY

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT
December 31, 2006

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. |
| 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 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 the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

1.	2.	3.	4.
X	X	X	X

Aure G. Lee

(Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.

(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.

07 MAY -4 AM 8:15
DIVISION OF
ECONOMIC REGULATION
FLORIDA PUBLIC SERVICE

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2006

Commercial Utilities, Division of Grace and Company, Inc.
(Exact Name of Utility)

County: Duval

List below the exact mailing address of the utility for which normal correspondence should be sent:

865 SOUTH LANE AVENUE
JACKSONVILLE, FLORIDA 32205

Telephone: 904-781-970

E Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

Name and address of person to whom correspondence concerning this report should be addressed:

ELROY C. GRACE, PRESIDENT
GRACE & COMPANY, INC.
865 SOUTH LANE AVENUE
JACKSONVILLE, FLORIDA 32205
Telephone: 904-781-970

List below the address of where the utility's books and records are located:

865 SOUTH LANE AVENUE
JACKSONVILLE, FLORIDA 32205

Telephone: 904-781-0970

List below any groups auditing or reviewing the records and operations:

N/A

Date of original organization of the utility: April 4, 1974

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

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	ELROY C. GRACE	30
2.	WALTER E. GRACE	20
3.	FORBES D. GRACE	20
4.	ROBERT B. GRACE	30
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT
December 31, 2006

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.

A. Commercial Utilities was organized on April 1, 1974 and received Public Service Commission Certificate 164-S on June 4, 1975. Prior to the existence of Commercial Utilities and PCS certification, water and wastewater treatment was available to land tenants of Grace & Company, Inc. from existing company owned water and wastewater treatment plants. Our utility growth has been determined by normal growth and by a moratorium placed by the City of Jacksonville, FL on the construction of new wastewater treatment facilities. On January 18, 1991, Commercial Utilities began purchasing water from the City of Jacksonville, FL but continued to distribute the water through existing lines. On August 8, 1992 all of the wastewater collecting lines were connected to the Atlee Street wastewater pump station belonging to the City of Jacksonville, FL; however responsibility of the lines and collection of wastewater remains with Commercial Utilities. By order No. PSC-97-94-FOF-WU, the commission acknowledged to the exempt status of the water division and cancelled Certificate No. 219-W on January 27, 1997.

B. Wastewater

C. To provide quality wastewater service to the customers within our service area.

D. Commercial Utilities has two persons on premises to take care of line breaks, replacing of valves, etc. Major work is contracted out. Billing and contract functions are performed by two persons.

E. Currently our growth is somewhat static; however, future growth has been permitted. The City of Jacksonville has recently extended their lines into property that we were led to believe was our certified territory.

F. Commercial Utilities proposes to reroute some collection lines to accommodate some land use changes.

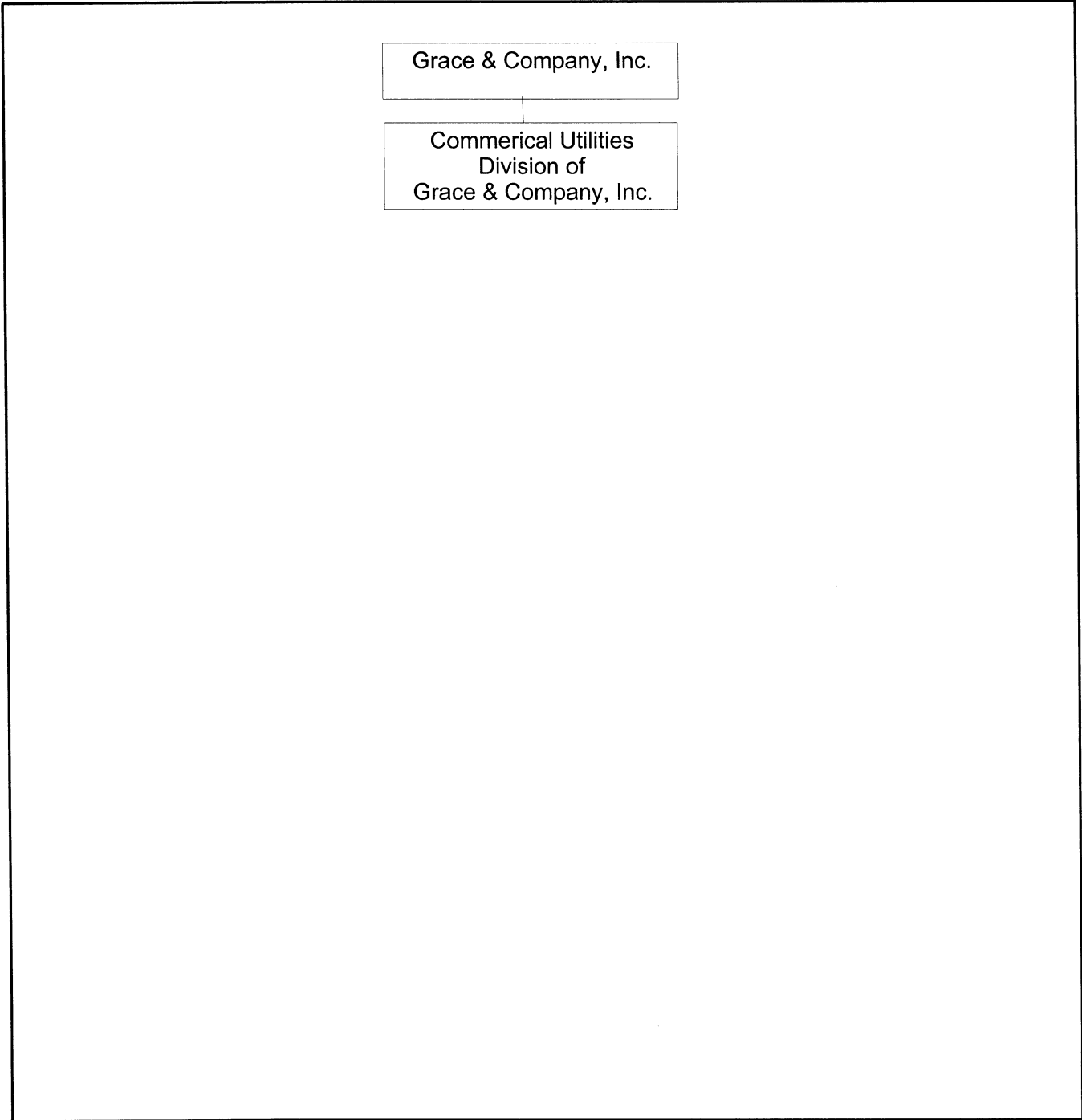
UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2006

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).



UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
ELROY C. GRACE	PRESIDENT	25.00%	\$ 28,366
WALTER E. GRACE	VICE PREISDENT	1.00%	0
FORBES D. GRACE	VICE PRESIDENT	1.00%	0
ROBERT B. GRACE	SECRETARY/TRES.	1.00%	0

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
ELROY C. GRACE	PRESIDENT	12	\$ 28,366
WALTER E. GRACE	VICE PREISDENT	12	0
FORBES D. GRACE	VICE PRESIDENT	12	0
ROBERT B. GRACE	SECRETARY/TRES.	12	0

THIS PAGE LEFT

BLANK INTENTIONALLY

FINANCIAL SECTION

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 524,655	\$ 524,655
108-110	Less: Accumulated Depreciation and Amortization	F-8	268,775	288,199
Net Plant			\$ 255,880	\$ 236,456
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 255,880	\$ 236,456
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$	\$
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 157,465	\$ 142,070
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11		
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 157,465	\$ 142,070

* Not Applicable for Class B Utilities

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ _____	\$ _____
204	Preferred Stock Issued	F-15	_____	_____
202,205 *	Capital Stock Subscribed		_____	_____
203,206 *	Capital Stock Liability for Conversion		_____	_____
207 *	Premium on Capital Stock		_____	_____
209 *	Reduction in Par or Stated Value of Capital Stock		_____	_____
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock		_____	_____
211	Other Paid - In Capital		_____	_____
212	Discount On Capital Stock		_____	_____
213	Capital Stock Expense		_____	_____
214-215	Retained Earnings	F-16	(63,376)	(78,771)
216	Reacquired Capital Stock		_____	_____
218	Proprietary Capital (Proprietorship and Partnership Only)		_____	_____
Total Equity Capital			\$ _____ (63,376)	\$ _____ (78,771)
LONG TERM DEBT				
221	Bonds	F-15	_____	_____
222 *	Reacquired Bonds		_____	_____
223	Advances from Associated Companies	F-17	_____	_____
224	Other Long Term Debt	F-17	_____	_____
Total Long Term Debt			\$ _____	\$ _____
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		_____	_____
232	Notes Payable	F-18	_____	_____
233	Accounts Payable to Associated Companies	F-18	476,206	456,782
234	Notes Payable to Associated Companies	F-18	_____	_____
235	Customer Deposits		515	515
236	Accrued Taxes	W/S-3	_____	_____
237	Accrued Interest	F-19	_____	_____
238	Accrued Dividends		_____	_____
239	Matured Long Term Debt		_____	_____
240	Matured Interest		_____	_____
241	Miscellaneous Current & Accrued Liabilities	F-20	_____	_____
Total Current & Accrued Liabilities			\$ _____ 476,721	\$ _____ 457,297

* Not Applicable for Class B Utilities

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ _____	\$ _____
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ _____	\$ _____
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	_____	_____
Total Net C.I.A.C.			\$ _____	\$ _____
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____	\$ _____
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>413,345</u>	\$ <u>378,526</u>

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 262,475	\$ 262,137
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 262,475	\$ 262,137
401	Operating Expenses	F-3(b)	\$ 229,137	\$ 270,640
403	Depreciation Expense:	F-3(b)	\$ 19,424	\$ 19,424
	Less: Amortization of CIAC	F-22		
Net Depreciation Expense			\$ 19,424	\$ 19,424
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		12,041
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			\$ 248,561	\$ 302,104
Net Utility Operating Income			\$ 13,914	\$ (39,967)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
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 [Enter here and on Page F-3(c)]			\$ 13,914	\$ (39,967)

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ _____	\$ 262,137	\$ _____
\$ _____	\$ 262,137	\$ _____
\$ _____	\$ 270,640	\$ _____
_____	19,424	_____
\$ _____	\$ 19,424 19,424	\$ _____
_____	12,041	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
\$ _____	\$ 302,104	\$ _____
\$ _____	\$ (39,967)	\$ _____
_____	_____	_____
_____	_____	_____
\$ _____	\$ (39,967)	\$ _____

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 13,914	\$ (39,967)
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		2,325	5,148
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		_____	_____
Total Other Income and Deductions			\$ 2,325	\$ 5,148
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		_____	_____
412.30	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ _____	\$ _____
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ _____	\$ _____
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ _____	\$ _____
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ _____	\$ _____
NET INCOME			<u>\$ 16,239</u>	<u>\$ (34,819)</u>

Explain Extraordinary Income:

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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	\$	\$ 524,655
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8		288,199
110	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22		
252	Advances for Construction	F-20		
Subtotal			\$	\$ 236,456
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		
Subtotal			\$	\$ 236,456
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			33,830
	Other (Specify): _____ _____ _____			
RATE BASE			\$	\$ 270,286
NET UTILITY OPERATING INCOME			\$	\$ (39,967)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)				-14.79%

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (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)	_____	_____	_____	_____
Total	\$ _____	_____	_____	_____

(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 Commission Return on Equity: _____ Commission order approving Return on Equity: _____
--

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate: _____ % Commission order approving 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.

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE 1**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)
Common Equity	\$ 172,666	\$	\$
Preferred Stock			
Long Term Debt			
Customer Deposits			
Tax Credits - Zero Cost			
Tax Credits - Weighted Cost			
Deferred Inc. Taxes			
Other (Explain)	269,714		
Total	\$ <u>442,380</u>	\$	\$

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ _____	\$ 524,655	\$ _____	\$ 524,655
102	Utility Plant Leased to Other	_____	_____	_____	_____
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	\$ _____	\$ 524,655	\$ _____	\$ 524,655

**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. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$	\$ 268,775	\$	\$ 268,775
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$	\$ 19,424	\$	\$ 19,424
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$	\$ 19,424	\$	\$ 19,424
Debits during year:				
Book cost of plant retired				
Cost of Removal				
Other Debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$ 288,199	\$	\$ 288,199
ACCUMULATED AMORTIZATION Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (3)	\$	\$	\$	\$
Other Accounts (specify):				
Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$	\$	\$

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
	\$ _____		\$ _____
	_____		_____
	_____		_____
Total	\$ _____		\$ _____

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)
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Nonutility Property	\$ _____	\$ _____	\$ _____	\$ _____

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	\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**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): <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): <hr/> <hr/> <hr/> <hr/>	_____ _____ _____ _____	\$ _____ _____ _____ _____
Total Special Funds		\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ _____	
Wastewater	_____	
Other	_____	
Total Customer Accounts Receivable		\$ _____
OTHER ACCOUNTS RECEIVABLE (Account 142):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Other Accounts Receivable		\$ _____
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ _____
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ _____	
Add: Provision for uncollectibles for current year	\$ _____	
Collection of accounts previously written off	_____	
Utility Accounts	_____	
Others	_____	
_____	_____	
Total Additions	\$ _____	
Deduct accounts written off during year:		
Utility Accounts	_____	
Others	_____	
_____	_____	
Total accounts written off	\$ _____	
Balance end of year		\$ _____
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**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)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**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)		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ <u>_____</u>	\$ <u>_____</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ <u>_____</u>	\$ <u>_____</u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ <u>_____</u>	\$ <u>_____</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u>_____</u>	\$ <u>_____</u>

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON 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	%	\$
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**

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

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (43,952)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ _____
	Debits: _____	\$ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (34,819)
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (78,771)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (78,771)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$

* 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)
GRACE & COMPANY	\$ 456,782
Total	\$ 456,782

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTERI DUF	
		ACCT. DEBIT (c)	
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$ _____		\$ _____
_____	_____		_____
_____	_____		_____
_____	_____		_____
Total Account 237.1	\$ _____		\$ _____
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities			
Customer Deposits	\$ _____	427	\$ _____
_____	_____		_____
_____	_____		_____
Total Account 237.2	\$ _____		\$ _____
Total Account 237 (1)	\$ _____		\$ _____
INTEREST EXPENSED:			
Total accrual Account 237		237	\$ _____
Less Capitalized Interest Portion of AFUDC:			

Net Interest Expensed to Account No. 427 (2)			\$ _____

YEAR OF REPORT December 31, 2006
--

EST ACCRUED RING YEAR	INTEREST PAID DURING YEAR	BALANCE END OF YEAR
AMOUNT (d)	(e)	(f)
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
=====	\$ =====	\$ =====
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
=====	\$ =====	\$ =====
=====	\$ =====	\$ =====
_____	(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest. (2) Must agree to F-3 (c), Current Year Interest Expense	_____
_____		_____
_____		_____
=====		_____

YEAR OF REPORT December 31, 2006
--

LIABILITIES

	BALANCE END OF YEAR (b)
	\$ _____

	\$ _____

DEBITS		
AMOUNT (d)	CREDITS (e)	BALANCE END OF YEAR (f)
	\$ _____	\$ _____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	\$ _____	\$ _____
	_____	_____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**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	\$ _____	\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

**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	\$ _____	\$ _____	\$ _____	\$ _____
Add credits during year:	\$ _____	\$ _____	\$ _____	\$ _____
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ _____	\$ _____	\$ _____	\$ _____

**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	\$ _____	\$ _____	\$ _____	\$ _____
Debits during the year:	\$ _____	\$ _____	\$ _____	\$ _____
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

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

- 1 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)	\$ (34,819)
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
Federal tax net income		\$ (34,819)

Computation of tax :

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

SYSTEM NAME / COUNTY : _____

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 524,655
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	288,199
110	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	
252	Advances for Construction	F-20	
Subtotal			\$ 236,456
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$
Subtotal			\$ 236,456
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		33,830
	Other (Specify):		
WASTEWATER RATE BASE			\$ 270,286
WASTEWATER OPERATING INCOME		S-3	\$ (39,967)
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			-14.79%

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9(a)	\$ 262,137
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
	Net Operating Revenues		\$ 262,137
401	Operating Expenses	S-10(a)	\$ 270,640
403	Depreciation Expense	S-6(a)	19,424
	Less: Amortization of CIAC	S-8(a)	
	Net Depreciation Expense		\$ 19,424
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		12,041
408.11	Property Taxes		
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 12,041
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 302,104
	Utility Operating Income		\$ (39,967)
530	Add Back: Guaranteed Revenue (and AFPI)	S-9(a)	\$
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		\$ (39,967)

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

Y
D

SYSTEM NAME / COUNTY : _____

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization	\$ _____	\$ _____	\$ _____
352	Franchises	_____	_____	_____
353	Land and Land Rights	_____	_____	_____
354	Structures and Improvements	_____	_____	_____
355	Power Generation Equipment	_____	_____	_____
360	Collection Sewers - Force	350,014	_____	_____
361	Collection Sewers - Gravity	12,226	_____	_____
362	Special Collecting Structures	_____	_____	_____
363	Services to Customers	2,492	_____	_____
364	Flow Measuring Devices	_____	_____	_____
365	Flow Measuring Installations	_____	_____	_____
366	Reuse Services	_____	_____	_____
367	Reuse Meters and Meter Installations	_____	_____	_____
370	Receiving Wells	54,246	_____	_____
371	Pumping Equipment	_____	_____	_____
374	Reuse Distribution Reservoirs	_____	_____	_____
375	Reuse Transmission and Distribution System	_____	_____	_____
380	Treatment and Disposal Equipment	_____	_____	_____
381	Plant Sewers	_____	_____	_____
382	Outfall Sewer Lines	_____	_____	_____
389	Other Plant Miscellaneous Equipment	105,677	_____	_____
390	Office Furniture and Equipment	_____	_____	_____
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		\$ 524,655	\$ _____	\$ _____

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

S-4(a)
GROUP _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

SYSTEM NAME / COUNTY : _____

WASTEWATER UTILITY PLANT M

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)
351	Organization	\$	\$	\$
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers - Force		350,014	
361	Collection Sewers - Gravity		12,226	
362	Special Collecting Structures			
363	Services to Customers		2,492	
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells			
371	Pumping Equipment			54,246
374	Reuse Distribution Reservoirs			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment	105,677		
390	Office Furniture and Equipment			
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		\$ 105,677	\$ 364,732	\$ 54,246

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

S-4(b)
GROUP _____

YEAR OF REPORT
December 31, 2006

MATRIX

.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
\$	\$	\$	\$
\$	\$	\$	\$

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

SYSTEM NAME / COUNTY : _____

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells			
371	Pumping Equipment			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment			
390	Office Furniture and Equipment			
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			
Wastewater Plant Composite Depreciation Rate *				

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

Y
D

SYSTEM NAME / COUNTY : _____

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)
354	Structures and Improvements	\$	\$	\$
355	Power Generation Equipment			
360	Collection Sewers - Force	173,761	12,963	
361	Collection Sewers - Gravity	5,587	306	
362	Special Collecting Structures			
363	Services to Customers	1,447	71	
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	31,227	2,170	
371	Pumping Equipment			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment	56,752	3,914	
390	Office Furniture and Equipment			
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 Depreciable Wastewater Plant in Service		\$ 268,775	\$ 19,424	\$

* Specify nature of transaction.
Use () to denote reversal entries.

S-6(a)
GROUP _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

SYSTEM NAME / COUNTY : _____

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)
354	Structures and Improvements	\$ _____	\$ _____	\$ _____
355	Power Generation Equipment	_____	_____	_____
360	Collection Sewers - Force	_____	_____	_____
361	Collection Sewers - Gravity	_____	_____	_____
362	Special Collecting Structures	_____	_____	_____
363	Services to Customers	_____	_____	_____
364	Flow Measuring Devices	_____	_____	_____
365	Flow Measuring Installations	_____	_____	_____
366	Reuse Services	_____	_____	_____
367	Reuse Meters and Meter Installations	_____	_____	_____
370	Receiving Wells	_____	_____	_____
371	Pumping Equipment	_____	_____	_____
375	Reuse Transmission and Distribution System	_____	_____	_____
380	Treatment and Disposal Equipment	_____	_____	_____
381	Plant Sewers	_____	_____	_____
382	Outfall Sewer Lines	_____	_____	_____
389	Other Plant Miscellaneous Equipment	_____	_____	_____
390	Office Furniture and Equipment	_____	_____	_____
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 Depreciable Wastewater Plant in Service		\$ _____	\$ _____	\$ _____

* Specify nature of transaction.
Use () to denote reversal entries.

S-6(b)
GROUP _____

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT

December 31, 2006

SYSTEM NAME / COUNTY :

WASTEWATER 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)
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ _____

ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ _____
Debits during the year: Accruals charged to Account 272	\$ _____
Other debits (specify) : _____ _____	_____ _____
Total debits	\$ _____
Credits during the year (specify) : _____ _____	\$ _____ _____
Total credits	\$ _____
Balance end of year	\$ _____

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues			\$ _____
521.2	Commercial Revenues			_____
521.3	Industrial Revenues			_____
521.4	Revenues From Public Authorities			_____
521.5	Multiple Family Dwelling Revenues			_____
521.6	Other Revenues			_____
521	Total Flat Rate Revenues			\$ _____
522.1	Measured Revenues: Residential Revenues			
522.2	Commercial Revenues	39	39	262,137
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			
522	Total Measured Revenues	39	39	\$ 262,137
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
Total Wastewater Sales		39	39	\$ 262,137
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ _____
531	Sale of Sludge			_____
532	Forfeited Discounts			_____
534	Rents From Wastewater Property			_____
535	Interdepartmental Rents			_____
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			_____
Total Other Wastewater Revenues				\$ _____

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

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT December 31, 2006
--

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues			\$ _____
540.2	Commercial Reuse Revenues			_____
540.3	Industrial Reuse Revenues			_____
540.4	Reuse Revenues From Public Authorities			_____
540.5	Other Revenues			_____
540	Total Flat Rate Reuse Revenues			\$ _____
541.1	Measured Reuse Revenues: Residential Reuse Revenues			_____
541.2	Commercial Reuse Revenues			_____
541.3	Industrial Reuse Revenues			_____
541.4	Reuse Revenues From Public Authorities			_____
541	Total Measured Reuse Revenues			\$ _____
544	Reuse Revenues From Other Systems			_____
Total Reclaimed Water Sales				\$ _____
Total Wastewater Operating Revenues				\$ <u>262,137</u>

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

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

SYSTEM NAME / COUNTY : _____

WASTEWATER UTILITY EXPENSE ACCO

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1	.2
			COLLECTION EXPENSES- OPERATIONS (d)	COLLECTION EXPENSES- MAINTENANCE (e)
701	Salaries and Wages - Employees	\$ 18,703	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	28,366		
704	Employee Pensions and Benefits			
710	Purchased Sewage Treatment	122,182		
711	Sludge Removal Expense	2,400		
715	Purchased Power	45,880		
716	Fuel for Power Production			
718	Chemicals			
720	Materials and Supplies			
731	Contractual Services-Engineering			
732	Contractual Services - Accounting	2,850		
733	Contractual Services - Legal			
734	Contractual Services - Mgt. Fees			
735	Contractual Services - Testing			
736	Contractual Services - Other			
741	Rental of Building/Real Property	14,400		
742	Rental of Equipment			
750	Transportation Expenses			
756	Insurance - Vehicle			
757	Insurance - General Liability			
758	Insurance - Workman's Comp.			
759	Insurance - Other			
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Exp.-Other			
770	Bad Debt Expense			
775	Miscellaneous Expenses	35,859		
Total Wastewater Utility Expenses		\$ 270,640	\$	\$

S-10(a)
GROUP _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

SYSTEM NAME / COUNTY : _____

WASTEWATER UTILITY EXPENSE ACCOUNT MA

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)
701	Salaries and Wages - Employees	\$ _____	\$ 18,703	\$ _____
703	Salaries and Wages - Officers, Directors and Majority Stockholders	_____	28,366	_____
704	Employee Pensions and Benefits	_____	_____	_____
710	Purchased Sewage Treatment	_____	_____	_____
711	Sludge Removal Expense	_____	_____	_____
715	Purchased Power	_____	_____	_____
716	Fuel for Power Purchased	_____	_____	_____
718	Chemicals	_____	_____	_____
720	Materials and Supplies	_____	45,880	_____
731	Contractual Services-Engineering	_____	_____	_____
732	Contractual Services - Accounting	_____	2,850	_____
733	Contractual Services - Legal	_____	_____	_____
734	Contractual Services - Mgt. Fees	_____	_____	_____
735	Contractual Services - Testing	_____	_____	_____
736	Contractual Services - Other	_____	_____	_____
741	Rental of Building/Real Property	_____	14,400	_____
742	Rental of Equipment	_____	_____	_____
750	Transportation Expenses	_____	_____	_____
756	Insurance - Vehicle	_____	_____	_____
757	Insurance - General Liability	_____	_____	_____
758	Insurance - Workman's Comp.	_____	_____	_____
759	Insurance - Other	_____	_____	_____
760	Advertising Expense	_____	_____	_____
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	_____	_____	_____
767	Regulatory Commission Exp.-Other	_____	_____	_____
770	Bad Debt Expense	_____	_____	_____
775	Miscellaneous Expenses	_____	35859	_____
Total Wastewater Utility Expenses		\$ _____	\$ 146,058	\$ _____

S-10(b)
GROUP _____

UTILITY NAME:

Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT

December 31, 2006

SYSTEM NAME / COUNTY : _____

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	6	6
3/4"	Displacement	1.5		
1"	Displacement	2.5	11	28
1 1/2"	Displacement or Turbine	5.0	10	50
2"	Displacement, Compound or Turbine	8.0	10	80
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	1	25
4"	Turbine	30.0		
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 Wastewater System Meter Equivalents				204

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater 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:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

S-11

GROUP _____

SYSTEM _____

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT
December 31, 2006

SYSTEM NAME / COUNTY : _____

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	N/A		
Basis of Permit Capacity (1)	N/A		
Manufacturer	N/A		
Type (2)	N/A		
Hydraulic Capacity	N/A		
Average Daily Flow	N/A		
Total Gallons of Wastewater Treated	N/A		
Method of Effluent Disposal	N/A		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)
- (2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Commercial Utilities, Division of Grace and Company, Inc.

YEAR OF REPORT
December 31, 2006

SYSTEM NAME / COUNTY : _____

OTHER 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 _____	204
2. Maximum number of ERCs* which can be served _____	229
3. Present system connection capacity (in ERCs*) using existing lines _____	229
4. Future connection capacity (in ERCs*) upon service area buildout _____	229
5. Estimated annual increase in ERCs* _____	
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, attach 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? _____ NO If so, when? _____	
9. Has the utility been required by the DEP or water management district to implement reuse? _____ NO If so, what are the utility's plans to comply with this requirement? _____ N/A _____ _____	
10. When did the company last file a capacity analysis report with the DEP? _____ N/A	
11. If the present system does not meet the requirements of DEP rules: a. Attach a description of the plant upgrade necessary to meet the DEP rules. b. Have these plans been approved by DEP? _____ c. When will construction begin? _____ d. Attach plans for funding the required upgrading. e. Is this system under any Consent Order with DEP? _____	
12. Department of Environmental Protection ID # _____ PWS-1D2160226	

* An ERC is determined based on the calculation on S-11.