

OFFICIAL COPY
Public Service Commission
Do Not Remove from this Office

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WS249-07-AR
Useppa Island Utility, Inc.
P. O. Box 640
Bokeelia, FL 33922-0640

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



DIVISION OF
ECONOMIC REGULATION

08 APR -2 AM 10:13

RECEIVED
PUBLIC SERVICE
COMMISSION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2007

GENERAL INSTRUCTIONS

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

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

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

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

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (Rule 25-30.116, Florida Administrative Code)

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

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

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

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

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Comparative Balance Sheet	F-4
Gross Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Tax Expense	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Service Connections, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Master Lift Station Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

USEPPA UTILITY, INC.

(EXACT NAME OF UTILITY)

P.O. BOX 640 | BOKEELIA, FL 33922 | LEE

Mailing Address: P.O. BOX 640
 Street Address: BOKEELIA, FL 33922
 County: LEE
 Telephone Number: 239/283-1061
 Date Utility First Organized: 1981
 Fax Number: 239/283-4535
 E-mail Address: LOVANN@USEPPA.COM

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: ACCOUNTING OFFICE ON USEPPA ISLAND

Name of subdivisions where services are provided: _____

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: TIMOTHY FITZSIMMONS	CEO	P.O. BOX 640 BOKEELIA, FL 33922	
Person who prepared this report: LOU ANN CHRISTENSEN	COMPTROLLER	P.O. BOX 640 BOKEELIA, FL 33922	
Officers and Managers: ERIC GLIDDEN	UTILITY MANAGER	P.O. BOX 640 BOKEELIA, FL 33922	
GARFIELD R. BECKSTEAD	PRESIDENT	P.O. BOX 640 BOKEELIA, FL 33922	\$ -0-
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
USEPPA INN AND DOCK Co, LTD.	100%	P.O. BOX 640 BOKEELIA, FL 33922	\$ -0-
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 180,205	\$ 137,402	\$ _____	\$ 317,607-
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		46-	11-	_____	57-
Total Gross Revenue -----		\$ 180,251-	\$ 137,413-	\$ _____	\$ 317,664-
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 157,489-	\$ 144,271-	\$ _____	\$ 301,760-
Depreciation Expense -----	F-5	17,830-	19,798-	_____	37,628-
CIAC Amortization Expense -----	F-8	<7,026->	<4,850->	_____	<11,876->
Taxes Other Than Income -----	F-7	11,256-	9,330-	_____	20,586-
Income Taxes -----	F-7	—	—	_____	_____
Total Operating Expense -----		\$ 179,549-	\$ 168,549-	_____	\$ 348,098-
Net Operating Income (Loss) -----		\$ 702-	\$ <31,136->	\$ _____	\$ <30,434->
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ 13,200-	\$ 20,308-	\$ _____	\$ 33,508-
Interest Expense -----		_____	_____	_____	_____
Net Income (Loss) -----		<12,498->	<51,444->	\$ _____	<63,942->

UTILITY NAME:

USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2007

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>1,072,008-</u>	\$ <u>1,009,599</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>582,002-</u>	<u>544,374</u>
Net Utility Plant -----		\$ <u>490,005-</u>	\$ <u>465,225</u>
Cash -----		<u>20,022-</u>	<u>2,226</u>
Customer Accounts Receivable (141) -----		<u>25,447-</u>	<u>26,623</u>
Other Assets (Specify): -----			

Total Assets -----		\$ <u>535,474</u>	\$ <u>494,074</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>1,000-</u>	<u>1,000</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>147,000-</u>	<u>147,000</u>
Retained Earnings (215) -----	F-6	<u><461,386></u>	<u><397,443></u>
Proprietary Capital (Proprietary and Partnership only) (218) -----	F-6		
Total Capital -----		\$ <u><311,386></u>	\$ <u><247,443></u>
Long Term Debt (224) -----	F-6	\$ <u>737,922</u>	\$ <u>592,226</u>
Accounts Payable (231) -----		<u>68,198-</u>	<u>93,677</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			

Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>43,740</u>	<u>55,616</u>
Total Liabilities and Capital -----		\$ <u>535,474</u>	\$ <u>494,076</u>

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>565,159</u>	\$ <u>506,849</u>	\$ _____	\$ <u>1,072,008</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>565,159</u>	\$ <u>506,849</u>	\$ _____	\$ <u>1,072,008</u>

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ <u>273,106</u>	\$ <u>271,267</u>	\$ _____	\$ <u>544,373</u>
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ <u>17,830</u>	\$ <u>19,798</u>	\$ _____	\$ <u>37,628</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>290,936</u>	\$ <u>291,065</u>	\$ _____	\$ <u>582,001</u>
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>290,936</u>	\$ <u>291,065</u>	\$ <u>-</u>	\$ <u>582,001</u>

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	<u>1,000</u>	_____
Shares authorized _____	_____	
Shares issued and outstanding _____	_____	
Total par value of stock issued _____	_____	
Dividends declared per share for year _____	_____	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	<u><397,443></u>	_____
Changes during the year (Specify): _____ _____	<u><63,943></u>	_____
Balance end of year _____	<u><461,386></u>	\$ _____

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>WACHOVIA - WW PLANT</u>	<u>7.62</u>	<u>40</u>	\$ <u>41,422-</u>
<u>UFD</u>	<u>10</u>		<u>617,063-</u>
<u>FL GULF BANK</u>	<u>7.75</u>	<u>44</u>	<u>76,438-</u>
Total _____			\$ <u>734,923-</u>

USEPPA UTILITY, INC.
TAX EXPENSE

DECEMBER 31, 2011

(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 -----	3,072-	3,072-	_____	6,144-
Regulatory assessment fee -----	8,109-	6,183-	_____	14,292-
Other (Specify) -----	_____	_____	_____	_____
DEPT / STATE -----	75-	75-	_____	150-
Total Tax Expense -----	\$ 11,256-	\$ 9,330-	\$ _____	\$ 20,586-

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
WELKER	\$ 988-	\$ 988-	CPA
SANDERS LAB	\$ 2,005-	\$ 6,258-	LAB TESTS
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ <u>225,670</u>	\$ <u>230,187</u>	\$ <u>455,857</u>
2) Add credits during year	\$ _____	\$ _____	\$ _____
3) Total	_____	_____	_____
4) Deduct charges during the year	_____	_____	_____
5) Balance end of year	<u>225,670</u>	<u>230,187</u>	<u>455,857</u>
6) Less Accumulated Amortization	<u>187,985</u>	<u>224,132</u>	<u>412,117</u>
7) Net CIAC	\$ <u>37,685</u>	\$ <u>6,055</u>	\$ <u>43,740</u>

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

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

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	\$ <u>180,959</u>	\$ <u>219,282</u>	\$ <u>400,241</u>
Add Debits During Year:	<u>7,026</u>	<u>4,850</u>	<u>11,876</u>
Deduct Credits During Year:	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ <u>187,985</u>	\$ <u>224,132</u>	\$ <u>412,117</u>

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

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>_____</u>	<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: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2007

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	10,463			10,463-
304	Structures and Improvements	33,122			33,122-
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	51,199	1969-		53,168-
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	22,899			22,899-
320	Water Treatment Equipment	176,337	3566-		179,903-
330	Distribution Reservoirs and Standpipes	161,779			161,779-
331	Transmission and Distribution Lines	63,708			63,708-
333	Services	3,020			3,020-
334	Meters and Meter Installations	33,792	716-		34,508-
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment	795			795-
340	Office Furniture and Equipment		477-		477-
341	Transportation Equipment	800			800-
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	322			322-
344	Laboratory Equipment	237			237-
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 558,473	\$ 6,728	\$ -	\$ 565,201-

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

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		%		\$ 31,709	\$	\$ 1182	\$ 32,891
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%		35,818		1,325	37,143
307	Wells and Springs		%					
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%		6,318			6,318
311	Pumping Equipment		%		19,180		1103	20,283
320	Water Treatment Equipment		%		108,651		6,661	115,312
330	Distribution Reservoirs & Standpipes		%		4,739		4,902	9,641
331	Trans. & Dist. Mains		%		39,899		1,041	40,940
333	Services		%		2,235		62	2,297
334	Meter & Meter Installations		%		22,289		1,238	23,527
335	Hydrants		%					
336	Backflow Prevention Devices		%		267		17	284
339	Other Plant and Miscellaneous Equipment		%				24	24
340	Office Furniture and Equipment		%		1628		230	1,858
341	Transportation Equipment		%					
342	Stores Equipment		%					
343	Tools, Shop and Garage Equipment		%				21	21
344	Laboratory Equipment		%		373		23	396
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Totals				\$ 273,106	\$	\$ 17,829	\$ 290,935

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees <u>58705, 11375</u>	\$ <u>70,080</u>
603	Salaries and Wages - Officers, Directors, and Majority Stockholders <u>-</u>	
604	Employee Pensions and Benefits <u>3505, 2250, 5480,</u>	<u>11,235</u>
610	Purchased Water	
615	Purchased Power <u>26,615</u>	<u>26,615</u>
616	Fuel for Power Production	
618	Chemicals <u>4999</u>	<u>4,999</u>
620	Materials and Supplies <u>15,347</u>	<u>15,347</u>
630	Contractual Services:	
	Billing	
	Professional <u>ACCT 988,</u>	<u>988</u>
	Testing <u>LABS FOR TESTING 2605-</u>	<u>2605</u>
	Other <u>BEATLY 5955</u>	<u>5955</u>
640	Rents <u>7800</u>	<u>7800</u>
650	Transportation Expense <u>5544, 232, 498</u>	<u>6,274</u>
655	Insurance Expense <u>3196</u>	<u>3,196</u>
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses <u>BANK 18, POST 758, TELE 1231, 05</u>	<u>2,395</u>
	<u>TRAIN 200</u>	<u>188</u>
	Total Water Operation And Maintenance Expense	\$ <u>157,489.</u>

* 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	<u>135</u>	<u>137</u>	<u>137</u>
3/4"	D	1.5	<u>0</u>	<u>0</u>	<u>0</u>
1"	D	2.5	<u>0</u>	<u>0</u>	<u>0</u>
1 1/2"	D,T	5.0	<u>0</u>	<u>0</u>	<u>0</u>
General Service					
5/8"	D	1.0	<u>0</u>	<u>0</u>	<u>0</u>
3/4"	D	1.5	<u>0</u>	<u>0</u>	<u>0</u>
1"	D	2.5	<u>0</u>	<u>0</u>	<u>0</u>
1 1/2"	D,T	5.0	<u>0</u>	<u>0</u>	<u>0</u>
2"	D,C,T	8.0	<u>0</u>	<u>0</u>	<u>0</u>
3"	D	15.0	<u>0</u>	<u>0</u>	<u>0</u>
3"	C	16.0	<u>0</u>	<u>0</u>	<u>0</u>
3"	T	17.5	<u>0</u>	<u>0</u>	<u>0</u>
Unmetered Customers			<u>0</u>	<u>0</u>	<u>0</u>
Other (Specify)			<u>0</u>	<u>0</u>	<u>0</u>
** D = Displacement C = Compound T = Turbine			<u>157</u>	<u>159</u>	<u>195</u>
Total			<u>157</u>	<u>159</u>	<u>195</u>

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January	0	1,243	2	1,241	1,159
February	0	1,119	0	1,119	1,101
March	0	1,279	1	1,278	1,290
April	0	1,329	3	1,326	1,388
May	0	1,295	4	1,291	1,151
June	0	1,105	5	1,100	1,197
July	0	1,087	1	1,086	1,198
August	0	998	0	998	1,035
September	0	1,089	0	1,089	1,115
October	0	1,158	0	1,158	1,306
November	0	1,253	8	1,245	1,292
December	0	1,270	5	1,265	1,380
Total for Year	0	14,225	29	14,196	14,612

If water is purchased for resale, indicate the following:

Vendor N/A
Point of delivery N/A

Had flow meters calibrated
2/08 found flow meters
off 6%

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

N/A

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
<u>PVC</u>	<u>2"</u>	<u>5650</u>	<u>0</u>	<u>0</u>	<u>5650</u>
<u>PVC</u>	<u>3"</u>	<u>1785</u>	<u>0</u>	<u>0</u>	<u>1785</u>
<u>PVC</u>	<u>4"</u>	<u>8955</u>	<u>0</u>	<u>0</u>	<u>8955</u>

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>2003</u>	<u>1989</u>	_____	_____
Types of Well Construction and Casing _____	_____	_____	_____	_____
Depth of Wells _____	<u>340'</u>	<u>320'</u>	_____	_____
Diameters of Wells _____	<u>6"</u>	<u>6"</u>	_____	_____
Pump - GPM _____	<u>90 gpm</u>	<u>90 gpm</u>	_____	_____
Motor - HP _____	<u>7.5 hp</u>	<u>7.5 hp</u>	_____	_____
Motor Type * _____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD _____	_____	_____	_____	_____
Auxiliary Power _____	<u>yes</u>	<u>no</u>	_____	_____
* Submersible, centrifugal, etc.	<u>well # 4</u>	<u>well # 1</u>	_____	_____

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>Glass fused steel</u>	<u>steel</u>	_____	_____
Capacity of Tank _____	<u>100,000</u>	<u>1,000</u>	_____	_____
Ground or Elevated _____	<u>ground</u>	<u>ground</u>	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	<u>Baldor</u>	<u>Baldor</u>	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	<u>10 hp</u>	<u>10 hp</u>	_____	_____
Pumps				
Manufacturer _____	<u>Goulds</u>	<u>Goulds</u>	_____	_____
Type _____	<u>Centrifugal</u>	<u>Centrifugal</u>	_____	_____
Capacity in GPM _____	<u>140 gpm</u>	<u>140 gpm</u>	_____	_____
Average Number of Hours Operated Per Day _____	<u>3.38 hrs</u>	<u>238 hrs</u>	<u>= 4.77 hrs</u>	_____
Auxiliary Power _____	<u>yes</u>	<u>yes</u>	<u>day</u>	_____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	<u>140,000</u>	_____	_____
Type of Source _____	<u>Mid-Hawthorne</u>	_____	_____
	<u>Aquifer -</u>		
	<u>Groundwater</u>		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	<u>Reverse osmosis</u>	_____	_____
Make _____	<u>Hydro Pro</u>	_____	_____
Permitted Capacity (GPD) _____	<u>50,000</u>	_____	_____
High service pumping			
Gallons per minute _____	<u>140 GPM x 2</u>	_____	_____
Reverse Osmosis _____	<u>YES</u>	_____	_____
Lime Treatment			
Unit Rating _____	<u>N/A</u>	_____	_____
Filtration			
Pressure Sq. Ft. _____	<u>N/A</u>	_____	_____
Gravity GPD/Sq.Ft. _____	<u>N/A</u>	_____	_____
Disinfection			
Chlorinator _____	<u>YES</u>	_____	_____
Ozone _____	<u>NO</u>	_____	_____
Other _____	<u>NO</u>	_____	_____
Auxiliary Power _____	<u>YES</u>	_____	_____

UTILITY NAME: USEPPA UTILITY, INC.
 SYSTEM NAME: _____

YEAR OF REPORT
 DECEMBER 31, 2007

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. 2007 Water sold 14612 / 350 / 365 = 0.1144 ERC
2. Maximum number of ERCs * which can be served. 50,000 gpd / 350 / 1000 = 0.143 ERC
3. Present system connection capacity (in ERCs *) using existing lines. 0.143 ERC
4. Future connection capacity (in ERCs *) upon service area buildout. Built out
5. Estimated annual increase in ERCs *. 0
6. Is the utility required to have fire flow capacity? NO
 If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
meter meter change out.
9. When did the company last file a capacity analysis report with the DEP? Oct. 2006
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? —
 - c. When will construction begin? —
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? NO
11. Department of Environmental Protection ID # F1 0036218 / FIA 146102-002- IW5C
12. Water Management District Consumptive Use Permit # 36-03239-W
 - a. Is the system in compliance with the requirements of the CUP? YES
 - 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 SFR 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: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

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	3,487			3,487-
354	Structures and Improvements	196,026	52,249		248,275-
355	Power Generation Equipment	12,301			12,301-
360	Collection Sewers - Force	127,826	897		128,723-
361	Collection Sewers - Gravity	377			377-
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells	62,782			62,782-
371	Pumping Equipment				
380	Treatment and Disposal Equipment	42,515	2,057-		44,572-
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment	4,655			4,655-
390	Office Furniture and Equipment		478-		478-
391	Transportation Equipment	1,200			1,200-
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	\$ 451,169	\$ 55,681-	\$	\$ 506,850*

* This amount should tie to sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

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		%	%	\$	\$	\$ 9,640-	\$ 9,640-
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force		%	%	97,300-		4,614-	101,914-
361	Collection Sewers - Gravity		%	%	126-		9-	135-
362	Special Collecting Structures		%	%				
363	Services to Customers		%	%	42		23-	65-
364	Flow Measuring Devices		%	%	41,466			41,466
365	Flow Measuring Installations		%	%				
370	Receiving Wells		%	%	100,057		2,586-	62,643-
371	Pumping Equipment		%	%				
380	Treatment and Disposal Equipment		%	%	65,069		2,836-	67,905-
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment		%	%	5221		90-	5311-
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%	1984			1,984
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				\$ 271,265	\$	\$ 19,798-	\$ 291,063*

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2007

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees <u>58,061, 11375,</u>	\$ <u>69,436</u>
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits <u>3504, 2250, 5480</u>	<u>11,234</u>
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	
715	Purchased Power <u>6175</u>	<u>6175</u>
716	Fuel for Power Production	
718	Chemicals <u>3050</u>	<u>3050</u>
720	Materials and Supplies	<u>21,882</u>
730	Contractual Services:	
	Billing	
	Professional <u>988 CPA,</u>	<u>988</u>
	Testing <u>LAP 6258,</u>	<u>6,258</u>
	Other <u>BEATTY 720,</u>	<u>720</u>
740	Rents <u>7800</u>	<u>7,800</u>
750	Transportation Expense <u>4104, 1135, 5544</u>	<u>10,783</u>
755	Insurance Expense <u>3196,</u>	<u>3,196</u>
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	
775	Miscellaneous Expenses <u>BANK 535, TRAIN 150, OS 75,</u>	<u>2,749</u>
	<u>POST 758, TEL 1231</u>	
	Total Wastewater Operation And Maintenance Expense	\$ <u>144,271*</u>
	* 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	<u>138</u>	<u>138</u>	<u>138</u>
General Service					
5/8"	D	1.0	<u>5</u>	<u>5</u>	<u>5</u>
3/4"	D	1.5	<u>1</u>	<u>1</u>	<u>1</u>
1"	D	2.5	<u>1</u>	<u>1</u>	<u>1</u>
1 1/2"	D,T	5.0	<u>1</u>	<u>1</u>	<u>1</u>
2"	D,C,T	8.0	<u>2</u>	<u>2</u>	<u>16</u>
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total	<u>145</u>	<u>145</u>
				<u>145</u>	<u>159</u>

UTILITY NAME: USEPPA UTILITIES, INC

YEAR OF REPORT
DECEMBER 31, 2007

PUMPING EQUIPMENT

Lift Station Number	10	6				
Make or Type and nameplate data on pump	Goulds 1/2 HP	Total of		26	Lift Stations	
Year installed	1987					
Rated capacity	80 GPM					
Size	1/2 HP					
Power:						
Electric	Yes					
Mechanical	NO					
Nameplate data of motor	Goulds					

SERVICE CONNECTIONS

Size (inches)	4"					
Type (PVC, VCP, etc.)	PVC					
Average length	60'					
Number of active service connections	121					
Beginning of year	119					
Added during year	2					
Retired during year	0					
End of year	121					
Give full particulars concerning inactive connections	Inactive connections are buildable lots.					

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches)	6"	4"		6"	4"	
Type of main	PVC	PVC		PVC	PVC	
Length of main (nearest foot)	Don't know	Don't know				
Beginning of year	0	0				
Added during year	0	0				
Retired during year	0	0				
End of year	Don't know	Don't know				

MANHOLES

Size (inches)		60" x 5'	
Type of Manhole		concrete	
Number of Manholes:			
Beginning of year		2	
Added during year		0	
Retired during year		0	
End of Year		2	

SPAC

UTILITY NAME: USEPPA UTILITY, INC.

SYSTEM NAME: _____

YEAR OF REPORT
DECEMBER 31, 2007

TREATMENT PLANT

Manufacturer _____	<u>DAVCO</u>	<u>McNeil</u>	_____
Type _____	<u>Extended Air</u>	<u>Extended Air</u>	_____
"Steel" or "Concrete" _____	<u>Concrete</u>	<u>Concrete</u>	_____
Total Permitted Capacity _____	<u>—</u>	<u>45,000 gpd</u>	_____
Average Daily Flow _____	<u>—</u>	<u>.01293</u>	_____
Method of Effluent Disposal _____	<u>Per Pond</u>	<u>Per Pond</u>	_____
Permitted Capacity of Disposal _____	_____	<u>20,000 gpd</u>	_____
Total Gallons of Wastewater treated _____	<u>—</u>	<u>4.7196</u>	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Goulds</u>	_____	_____	_____	_____
Capacity (GPM's) _____	<u>60gpm</u>	_____	_____	_____	_____
Motor: _____	_____	_____	_____	_____	_____
Manufacturer _____	<u>Goulds</u>	_____	_____	_____	_____
Horsepower _____	<u>1/2</u>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>Electric</u>	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>0.4469</u>	<u>—</u>	<u>0.4469</u>
February _____	<u>0.3971</u>	<u>—</u>	<u>0.3971</u>
March _____	<u>0.6027</u>	<u>—</u>	<u>0.6027</u>
April _____	<u>0.4362</u>	<u>—</u>	<u>0.4362</u>
May _____	<u>0.4453</u>	<u>—</u>	<u>0.4453</u>
June _____	<u>0.4158</u>	<u>—</u>	<u>0.4158</u>
July _____	<u>0.2973</u>	<u>—</u>	<u>0.2973</u>
August _____	<u>0.2638</u>	<u>—</u>	<u>0.2638</u>
September _____	<u>0.2509</u>	<u>—</u>	<u>0.2509</u>
October _____	<u>0.2258</u>	<u>—</u>	<u>0.2258</u>
November _____	<u>0.4139</u>	<u>—</u>	<u>0.4139</u>
December _____	<u>0.5239</u>	<u>—</u>	<u>0.5239</u>
Total for year _____	<u>4.7196</u>	<u>0</u>	<u>4.7196</u>

If Wastewater Treatment is purchased, indicate the vendor: ND

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2007

SYSTEM NAME: _____

GENERAL WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served. 2007 Flow 4,719,600/1000/365 = .129 ERC
2. Maximum number of ERCs* which can be served. 20000 gpd Permitted /1000/280 = .0714 ERC
3. Present system connection capacity (in ERCs*) using existing lines. Plant design 45000gpd/1000/280 = 0.161 ERC
4. Future connection capacity (in ERCs*) upon service area buildout. Built out
5. Estimated annual increase in ERCs*. None
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
1- Lift Station renovations did not finish improvement from app 6
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? N/A
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? 2004
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? _____
 - 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 # FIA 014494

* 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 SFR 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).

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2007

CERTIFICATION OF ANNUAL REPORT

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

- YES NO 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.
- YES NO 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES NO 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.
- YES NO 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

1. 2. 3. 4.

Imaly Hernandez, CEO
(signature of Chief Executive Officer of the utility)

Date: MARCH 25, 2008

1. 2. 3. 4.

(signature of Chief Financial Officer of the utility) *

Date: _____

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.