

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS570-06-AR

ROYAL UTILITY COMPANY

Exact Legal Name of Respondent

259-W / 199-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



07 MAY 17 11:10:08
REGISTRATION DIVISION

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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PAUL E. DECHARIO, C.P.A.
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May 1, 2007

Officers and Directors
Royal Utility Company

We have compiled the balance sheets of Royal Utility Company as of December 31, 2006 and 2005, and the related statements of income and retained earnings for the year(s) then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

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

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

Cronin, Jackson, Nixon & Wilson
CRONIN, JACKSON, NIXON & WILSON

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

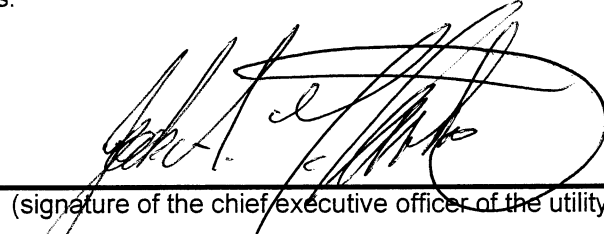
YEAR OF REPORT December 31, 2006

UTILITY NAME: Royal Utility Company


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

- | | | |
|-----------------------------|--------------------------|---|
| <p>YES
(X)</p> | <p>NO
()</p> | <p>1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.</p> |
| <p>YES
(X)</p> | <p>NO
()</p> | <p>2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.</p> |
| <p>YES
(X)</p> | <p>NO
()</p> | <p>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.</p> |
| <p>YES
(X)</p> | <p>NO
()</p> | <p>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.</p> |

Items Certified			
1.	2.	3.	4.
(X)	(X)	(X)	(X)
1.	2.	3.	4.
()	()	()	()



 (signature of the chief executive officer of the utility) *



 (signature of the 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.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2006

Royal Utility Company
(Exact Name of Utility)

County: Broward

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

Royal Utility Company
8900 Northwest 44th Court
Coral Springs, Florida 33065

Telephone: (954) 344-9106

e-Mail Address: royaluti@bellsouth.net

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:

Robert C. Nixon, CPA
Cronin, Jackson, Nixon & Wilson, CPA's, PA
2560 Gulf-to-Bay Blvd, Suite 200
Clearwater, Florida 34625

Telephone: (727) 791-4020

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

Royal Utility Company
8900 Northwest 44th Court
Coral Springs, Florida 33065

Telephone: (954) 344-9106

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

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: September 2, 1988

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 percent or more of the voting securities of the utility:

	Name	Percent Ownership	
1.	Herman I. Porten	40.76	%
2.	Richard A. Sullivan	40.76	%
3.	Steve Eckert	6.20	%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2006

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Jock McCartney	President/Consultant	Royal Utility Company	General Matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's, P.A.	Rates and accounting matters
F. Marshall Deterding	Attorney	Rose, Sundstrom & Bentley, P.A.	Legal matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Royal Utility Company

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) The Company was purchased by its current stockholders in 1988. The Company provides water and sewer services in Coral Springs, Florida.
- (B) Water and sewer service only.
- (C) To provide adequate service and a fair return to Company stockholders.
- (D) Water and sewer divisions only.
- (E) The Company's service area is at build-out.
- (F) None

UTILITY NAME: Royal Utility Company

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/06

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

Royal Utility Company is neither the parent nor the affiliate of any other Company.

UTILITY NAME: Royal Utility Company

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 UTILITY (c)	OFFICERS COMPENSATION (d)
Herman I. Porten	Vice President / Director	10 %	\$ None
Rick Sullivan	Vice President / Director	10 %	\$ None
Stephen Eckert	Secretary / Director	15 %	\$ None
Jock McCartney	President	65 %	\$ 85,758
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

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)
Herman I. Porten	Director	4	\$ 15,000
Rick Sullivan	Director	4	\$ 15,000
Stephen Eckert	Director	4	\$ 15,000
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2006

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None		\$	

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006
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AFFILIATION OF OFFICERS AND DIRECTORS

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

NAME (a)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Herman I. Porten	Chairman of the Board	Porten Companies, Inc.	5515 Security Lane Suite 550 Rockville, Md. 20852
Stephen Eckert	President	Classic Communities, Inc.	8120 Woodmont Avenue Suite 300 Bethesda, Md. 20814
Rick Sullivan	Vice-President	Classic Communities, Inc.	8120 Woodmont Avenue Suite 300 Bethesda, Md. 20814
Jock McCartney	President	Alston McCartney Co.	8900 N.W. 44th Court Coral Springs, Fl. 33065

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006
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BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

- Enter in this part all transactions involving services and products received or provided.
- Below are some types of transactions to include:
 - management, legal and accounting services
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
None		Open		\$

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - purchase, sale or transfer of equipment. - purchase, sale or transfer of land and structures. - purchase, sale or transfer of securities. - noncash transfers of assets. - noncash dividends other than stock dividends. - writeoff of bad debts or loans. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (a) Enter name of related party or company. (b) Describe briefly the type of assets purchased, sold or transferred. (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S". (d) Enter the net book value for each item reported. (e) Enter the net profit or loss for each item (column (c) - column (d)). (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value. |
|--|---|

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

FINANCIAL SECTION

UTILITY NAME: Royal Utility Company

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 4,514,508	\$ 4,471,982
108-110	Less: Accumulated Depreciation and Amortization	F-8	(2,747,213)	(2,648,074)
Net Plant			1,767,295	1,823,908
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,767,295	1,823,908
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 and Investments				
CURRENT AND ACCRUED ASSETS				
131	Cash		(35,879)	20,661
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds		143,669	130,155
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	110,118	110,265
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		47,259	45,160
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	92,514	85,777
Total Current and Accrued Assets			357,681	392,018

* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 20,347	\$ 22,243
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	55,834	71,734
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			76,181	93,977
TOTAL ASSETS AND OTHER DEBITS			\$ 2,201,157	\$ 2,309,903

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Royal Utility Company

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 100	\$ 100
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		800,000	800,000
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	(260,146)	(269,205)
216	Reacquired Capital Stock		(75,000)	(75,000)
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			464,954	455,895
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	1,311,096	1,381,473
Total Long Term Debt			1,311,096	1,381,473
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		43,442	27,858
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	81,000	81,000
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		4,000	4,000
236	Accrued Taxes		27,371	27,616
237	Accrued Interest	F-19	9,963	10,600
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20		36,605
Total Current and Accrued Liabilities			165,776	187,679

* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS 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 and 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	810,564	810,564
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(551,233)	(525,708)
Total Net C.I.A.C.			259,331	284,856
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 Accum. Deferred Income Taxes				
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 2,201,157	\$ 2,309,903

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 1,104,655	\$ 1,113,981
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(156)	(156)
Net Operating Revenues			1,104,499	1,113,825
401	Operating Expenses	F-3(b)	826,538	824,558
403	Depreciation Expense	F-3(b)	100,403	93,641
	Less: Amortization of CIAC	F-22	(25,524)	(25,524)
Net Depreciation Expense			74,879	68,117
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	114,087	114,579
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			1,015,504	1,007,254
Net Utility Operating Income			88,995	106,571
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	156	156
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)]			89,151	106,727

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 629,595 (39)	\$ 484,386 (117)	N/A
629,556	484,269	-
454,066	370,492	
61,476 (18,763)	32,165 (6,761)	
42,713	25,404	-
76,905	37,674	
573,684	433,570	
55,872	50,699	
39	117	
55,911	50,816	N/A

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

UTILITY NAME: Royal Utility Company

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 89,151	\$ 106,727
OTHER INCOME AND DEDUCTIONS				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		17,854	19,913
421	Miscellaneous Nonutility Revenue		325	877
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			18,179	20,790
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	122,535	116,564
428	Amortization of Debt Discount & Expense	F-13	1,895	1,895
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			124,430	118,459
EXTRAORDINARY ITEMS				
433	Extraordinary Income (Expense)			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			(17,100)	9,059

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 2,730,984	\$ 1,783,524
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(1,710,593)	(1,036,620)
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(571,643)	(238,921)
252	Advances for Construction	F-20		
Subtotal			448,748	507,983
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	415,302	135,931
Subtotal			864,050	643,914
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		56,758	46,312
	Other (Specify):		-	-
RATE BASE			\$ 920,808	\$ 690,226
NET UTILITY OPERATING INCOME			\$ 55,872	\$ 50,699
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			6.07 %	7.35 %

NOTES:

- (1) Estimated if not known.
 - (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 Method.

**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	\$ 464,954	26.12 %	14.69 %	3.8400 %
Preferred Stock		%	-	%
Long Term Debt	1,311,096	73.66 %	8.65 %	6.3716 %
Customer Deposits	4,000	0.22 %	6.00 %	0.0132 %
Tax Credits - Zero Cost		%	-	%
Tax Credits - Weighted Cost		%	-	%
Deferred Income Taxes		%	-	%
Other (Explain)		%	-	%
		%	%	%
Total	\$ 1,780,050	100.00 %		10.22 %

(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:	<u>14.69</u> %
Commission order approving Return on Equity:	<u>Order No. 12170</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	<u></u>

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 PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,730,984	\$ 1,783,524	N/A	\$ 4,514,508
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		\$ 2,730,984	\$ 1,783,524	N/A	\$ 4,514,508

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	N/A	N/A	\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization			\$ -	\$ -
					-
					-
					-
					-
					-
					-
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 1,643,619	\$ 1,004,455	N/A	\$ 2,648,074
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	61,476	32,165		93,641
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				

Salvage	22,000			22,000
Other Credits (specify) :				

Total credits	83,476	32,165		115,641
Debits during year:				
Book cost of plant retired	(16,500)			(16,500)
Cost of removal				
Other debits (specify) (rounding)	(2)			(2)

Total debits	(16,502)			(16,502)
Balance end of year	\$ 1,710,593	\$ 1,036,620	N/A	\$ 2,747,213

ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				

to Account 110.2 (2)				
Other Accounts (specify):				

Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				

Total debits				
Balance end of year	N/A	N/A	N/A	N/A

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

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
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)
None	\$ -	\$ -	\$ -	\$ -
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): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Royal Utility Company

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): N/A	\$ -	\$ -
Total Investment In Associated Companies		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
Total Utility Investments		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
Total Other Investments		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
Total Special Funds		\$ -

UTILITY NAME: Royal Utility Company

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 Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 101,713	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 101,713
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
A/R - Co-Bank	\$ 6,738	
A/R-Insurance	1,667	
Total Other Accounts Receivable		\$ 8,405
NOTES RECEIVABLE (Acct. 144):		
_____	\$ -	

Total Notes Receivable		
Total Accounts and Notes Receivable		110,118
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections 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		\$ 110,118

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2006

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$ -
Total	\$ -

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Equity shares receivable - CoBank	\$ 92,514
Total	\$ 92,514

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2006

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
 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):		
Deferred loan costs - CoBank	\$ 1,895	\$ 20,347
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ 1,895	\$ 20,347
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$ -
_____	_____
_____	_____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ -

UTILITY NAME: Royal Utility Company

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): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
Deferred Permit Fees - DEP		\$ 216
Deferred Maintenance - sand filter overhaul	15,900	55,618
Total Other Deferred Debits	\$ 15,900	\$ 55,834
REGULATORY ASSETS (Class A Utilities: Account 186.3):		
None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 15,900	\$ 55,834

UTILITY NAME: Royal Utility Company

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		100
Total par value of stock issued	\$ 100	100
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	None	None

* 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)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

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

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 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 (Deficit)	\$ (269,205)
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	9,059
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	-
	Year end Balance	(260,146)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____ _____	_____ _____ _____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (260,146)

Notes to Statement of Retained Earnings:

UTILITY NAME: Royal Utility Company

NOTES PAYABLE (ACCTS. 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): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): N/A			\$ -
	%		
	%		
	%		
	%		
	%		
	%		
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)
A/P-H Porten (Management fees)	\$ 27,000
A/P-R Sullivan (Management fees)	27,000
A/P-S Eckert (Management fees)	27,000
Total	\$ 81,000

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

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
N/P CoBank	\$ 10,186	427	\$ 116,564	\$ 117,201	\$ 9,549
	-				
Total Account No. 237.1	<u>10,186</u>		<u>116,564</u>	<u>117,201</u>	<u>9,549</u>
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits	414	427.00		-	414
Total Account 237.2	<u>414</u>				<u>414</u>
Total Account 237 (1)	<u>\$ 10,600</u>		<u>\$ 116,564</u>	<u>\$ 117,201</u>	<u>\$ 9,963</u>
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 116,564		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			<u>\$ 116,564</u>		

(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

UTILITY NAME: Royal Utility Company

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) N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2) N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ -	\$ -

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 571,643	\$ 238,921	N/A	\$ 810,564
Add credits during year:	_____	_____	_____	-
Less debits charged during	_____	_____	_____	-
Total Contributions In Aid of Construction	\$ 571,643	\$ 238,921	\$ -	\$ 810,564

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year _____	\$ 396,538	\$ 129,170	N/A	\$ 525,708
Debits during year:	18,763	6,761	_____	25,524
Credits during year (specify): Rounding	(1)	_____	_____	_____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 415,302	\$ 135,931	_____	\$ 551,233

**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 income 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 computation 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, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	<u>F-3 (c)</u>	\$ <u>9,059</u>
Reconciling items for the year:		
Taxable income not reported on the 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		\$ <u>9,059</u>
Computation of tax:		
The Company is a Subchapter S corporation; therefore, this Schedule is not applicable.		

**WATER
OPERATION
SECTION**

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT December 31, 2006

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 2,730,984
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(1,710,593)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(571,643)
252	Advances for Construction	F-20	
	Subtotal		448,748
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	415,302
	Subtotal		864,050
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		56,758
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 920,808
	UTILITY OPERATING INCOME	W-3	\$ 55,872
ACHIEVED RATE OF RETURN (Water Operating Income/Water Rate Base)			6.07 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (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.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	629,595
469	Less: Guaranteed Revenue and AFPI	W-9	(39)
	Net Operating Revenues		629,556
401	Operating Expenses	W-10(a)	454,066
403	Depreciation Expense	W-6(a)	61,476
	Less: Amortization of CIAC	W-8(a)	(18,763)
	Net Depreciation Expense		42,713
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		30,069
408.11	Property Taxes		27,329
408.12	Payroll Taxes		16,664
408.13	Other Taxes & Licenses		2,843
408	Total Taxes Other Than Income		76,905
409.1	Income Taxes	F-16	
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		573,684
	Utility Operating Income		55,872
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	39
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		\$ 55,911

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
 December 31, 2006

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises	713			713
303	Land and Land Rights	76,123			76,123
304	Structure and Improvements	410,447	22,000	16,500	415,947
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,683			23,683
308	Infiltration Galleries and Tunnels				
309	Supply Mains	46,014			46,014
310	Power Generation Equipment				
311	Pumping Equipment	685,457			685,457
320	Water Treatment Equipment	15,698			15,698
330	Distribution Reservoirs and Standpipes	9,100			9,100
331	Transmission and Distribution Mains	763,399			763,399
333	Services	168,098			168,098
334	Meters and Meter Installations	317,997			317,997
335	Hydrants	68,439			68,439
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	58,047			58,047
340	Office Furniture and Equipment	7,184			7,184
341	Transportation Equipment	1,750			1,750
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,774			8,774
344	Laboratory Equipment	3,212			3,212
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	17,466			17,466
348	Other Tangible Plant	43,883			43,883
	TOTAL WATER PLANT	\$ 2,725,484	\$ 22,000	\$ 16,500	\$ 2,730,984

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

YEAR OF REPORT
December 31, 2006

UTILITY NAME: Royal Utility Company
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises	713	713				
303	Land and Land Rights	76,123		\$ -	\$ 76,123		\$ -
304	Structure and Improvements	415,947			312,801		103,146
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	23,683		23,683			
308	Infiltration Galleries and Tunnels						
309	Supply Mai Royal Utility Co / Broward	46,014		46,014			
310	Power Generation Equipment						
311	Pumping Equipment	685,457		685,457			
320	Water Treatment Equipment	15,698			15,698		
330	Distribution Reservoirs and Standpipes	9,100				9,100	
331	Transmission and Distribution Mains	763,399				763,399	
333	Services	168,098				168,098	
334	Meters and Meter Installations	317,997				317,997	
335	Hydrants	68,439				68,439	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment	58,047				58,047	
340	Office Furniture and Equipment	7,184					7,184
341	Transportation Equipment	1,750					1,750
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	8,774					8,774
344	Laboratory Equipment	3,212					3,212
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment	17,466					17,466
348	Other Tangible Plant	43,883					43,883
	TOTAL WATER PLANT	\$ 2,730,984	\$ 713	\$ 755,154	\$ 404,622	\$ 1,385,080	\$ 185,415

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2006

BASIS FOR WATER 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)
301	Organization		%	%
302	Franchises	33	%	3.03 %
304	Structure and Improvements	33	%	3.03 %
305	Collecting and Impounding Reservoirs		%	%
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	20	%	5.00 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35	%	2.86 %
310	Power Generation Equipment		%	%
311	Pumping Equipment	20	%	5.00 %
320	Water Treatment Equipment	22	%	4.55 %
330	Distribution Reservoirs and Standpipes	37	%	2.70 %
331	Transmission and Distribution Mains	45	%	2.22 %
333	Services	40	%	2.50 %
334	Meters and Meter Installations	20	%	5.00 %
335	Hydrants	45	%	2.22 %
336	Backflow Prevention Devices		%	%
339	Other Plant / Miscellaneous Equipment	25	%	4.00 %
340	Office Furniture and Equipment	15	%	6.67 %
341	Transportation Equipment	6	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	16	%	6.25 %
344	Laboratory Equipment	15	%	6.67 %
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	10	%	10.00 %
348	Other Tangible Plant	15	%	6.67 %
Water 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.

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e) (note 1)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -	-	\$ -
302	Franchises	253	18		18
304	Structure and Improvements	212,091	11,973	(1)	11,972
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,683	0		
308	Infiltration Galleries and Tunnels				
309	Supply Mains	39,375	1,316		1,316
310	Power Generation Equipment				
311	Pumping Equipment	685,457	0		
320	Water Treatment Equipment	13,132	715	(1)	714
330	Distribution Reservoirs and Standpipes	7,282	246		246
331	Transmission and Distribution	315,269	16,947		16,947
333	Services	74,356	4,202		4,202
334	Meters and Meter Installations	187,513	15,346		15,346
335	Hydrants	26,738	1,519		1,519
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	14,441	2,322		2,322
340	Office Furniture and Equipment	4,746	480		480
341	Transportation Equipment	910	291		291
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	5,941	548		548
344	Laboratory Equipment	3,212	0		
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	9,226	1,165		1,165
348	Other Tangible Plant	19,994	4,388		4,388
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,643,619	\$ 61,476	\$ (2)	\$ 61,474

* Specify nature of transaction.
 Use () to denote reversal entries.
 Note (1): Miscellaneous rounding adjustment.

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

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 December 31, 2006

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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -
302	Franchises					271
304	Structure and Improvements	(16,500)	22,000		5,500	229,563
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					23,683
308	Infiltration Galleries and Tunnels					
309	Supply Mains					40,691
310	Power Generation Equipment					
311	Pumping Equipment					685,457
320	Water Treatment Equipment					13,846
330	Distribution Reservoirs and Standpipes					7,528
331	Transmission and Distribution					332,216
333	Services					78,558
334	Meters and Meter Installations					202,859
335	Hydrants					28,257
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					16,763
340	Office Furniture and Equipment					5,226
341	Transportation Equipment					1,201
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					6,489
344	Laboratory Equipment					3,212
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					10,391
348	Other Tangible Plant					24,382
TOTAL WATER ACCUMULATED DEPRECIATION		\$ (16,500)	\$ 22,000	\$ -	\$ 5,500	\$ 1,710,593

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2006

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	424	424	\$ 143,304
461.2	Metered Sales to Commercial Customers	76	76	63,961
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings	1,020	1,020	250,304
	Total Metered Sales	1,520	1,520	457,569
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
	Total Fire Protection Revenue			
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers	406	406	171,987
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,926	1,926	629,556
469	Other Water Revenues: Guaranteed Revenues			39
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 39
	Total Water Operating Revenues			\$ 629,595

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

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 87,771	\$ -	\$ 87,771
603	Salaries and Wages - Officers, Directors and Majority Stockholders	65,379		
604	Employee Pensions and Benefits	12,543		1,786
610	Purchased Water			
615	Purchased Power	55,274		
616	Fuel for Power Production			
618	Chemicals	20,940		
620	Materials and Supplies	7,252		1,328
631	Contractual Services - Engineering	16,743		
632	Contractual Services - Accounting	10,449		
633	Contractual Services - Legal	7,138		
634	Contractual Services - Mgt. Fees	3,500		
635	Contractual Services - Testing	22,007	2,270	
636	Contractual Services - Other	41,018		7,509
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	982		
656	Insurance - Vehicle	1,688		
657	Insurance - General Liability	11,670		
658	Insurance - Workmens Comp.	7,269		
659	Insurance - Other	13,785		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	68,658		
Total Water Utility Expenses		\$ 454,066	\$ 2,270	\$ 98,394

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					65,379
					10,757
54,074					1,200
20,940					
5,137		787			
					16,743
					10,449
					7,138
					3,500
16,967					2,770
20,354	13,155				
					982
					1,688
					11,670
					7,269
					13,785
15,900	2,321				50,437
\$ 133,372	\$ 15,476	\$ 787			\$ 203,767

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
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PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		12,431	850	11,581	10,559
February		12,640	800	11,840	11,253
March		14,949	750	14,199	12,434
April		13,758	800	12,958	12,184
May		14,226	800	13,426	13,505
June		12,074	750	11,324	11,659
July		10,814	850	9,964	9,980
August		11,252	750	10,502	11,081
September		10,029	700	9,329	7,948
October		14,282	750	13,532	12,649
November		12,006	800	11,206	11,905
December		11,754	850	10,904	10,500
Total for year	N/A	150,215	9,450	140,765	135,657

If water is purchased for resale, indicate the following:

Vendor N/A
 Point of deliver N/A

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

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well No. 1	357gpm	.500mgd	Wells
Well No. 2	371gpm	.500mgd	
Well No. 3	366gpm	.500mgd	

UTILITY NAME: Royal Utility Company
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
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WATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>1.0.mgd</u>		
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>		
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc):	<u>Aeration, chlorination, floridation, lime softening & coagulation</u>		
LIME TREATMENT			
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer	<u>Infilco</u>
FILTRATION			
Type and size of area:			
Pressure (in square feet):	<u>N/A</u>	Manufacturer	<u>N/A</u>
Gravity (in GPM/square feet):	<u>2.43</u>	Manufacturer	<u>Unknown</u>

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
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CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	424	424
3/4"	Displacement	1.5	42	63
1"	Displacement	2.5	435	1,088
1 1/2"	Displacement or Turbine	5.0	2	10
2"	Displacement, Compound or Turbine	8.0	47	376
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
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 Water System Meter Equivalents				<u>1,976</u>

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

<p>ERC Calculation:</p> <p>ERC = 135,657 gallons, divided by 350 gallons per day <u>365 days</u></p> <p><u>1,061.9</u> ERC's</p>

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
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OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * that system can efficiently serve.	<u>1976</u>
2. Maximum number of ERC's * which can be served.	<u>1976</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1976</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is Built Out</u>
5. Estimated annual increase in ERC's * .	<u>None</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>No</u> <u>N/A</u>
7. Attach a description of the fire fighting facilities.	<u>Approximatly 69 hydrants</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10. 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.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>4061517</u>
12. Water Management District Consumptive Use Permit #	<u>3</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

* An ERC is determined based on the calculation on the bottom of Page W-13

**WASTEWATER
OPERATION
SECTION**

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 1,783,524
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,036,620)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(238,921)
252	Advances for Construction	F-20	
	Subtotal		507,983
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	135,931
	Subtotal		643,914
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		46,312
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 690,226
	UTILITY OPERATING INCOME	S-3	\$ 50,699
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		7.35 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (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.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9	\$ 484,386
530	Less: Guaranteed Revenue and AFPI	S-9	(117)
	Net Operating Revenues		484,269
401	Operating Expenses	S-10(a)	370,492
403	Depreciation Expense	S-6(a)	32,165
	Less: Amortization of CIAC	S-8(a)	(6,761)
	Net Depreciation Expense		25,404
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		21,821
408.11	Property Taxes		14,715
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		1,138
408	Total Taxes Other Than Income		37,674
409.1	Income Taxes	F-16	
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		433,570
	Utility Operating Income		50,699
530	Add Back: Guaranteed Revenue (and AFPI)		117
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		\$ 50,816

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
 December 31, 2006

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization		\$ -	\$ -	\$ -
352	Franchises				
353	Land and Land Rights	71,802			71,802
354	Structure and Improvements	109,295			109,295
355	Power Generation Equipment		37,026		37,026
360	Collection Sewers - Force	120,328			120,328
361	Collection Sewers - Gravity	990,004			990,004
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	76,260			76,260
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	198,973			198,973
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758			121,758
390	Office Furniture & Equipment	6,767			6,767
391	Transportation Equipment	1,750			1,750
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351			21,351
394	Laboratory Equipment	89		16,924	17,013
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	16,924		(16,924)	
398	Other Tangible Plant	11,197			11,197
	Total Wastewater Plant	\$ 1,746,498	\$ 37,026	\$ -	\$ 1,783,524

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 Note: Retirements (Column (e)) to reclassify to correct account

YEAR OF REPORT
December 31, 2006

UTILITY NAME: Royal Utility Company
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ -						
352	Franchises							
353	Land and Land Rights		\$ 71,802	\$ 93,007				\$ -
354	Structure and Improvements					11,943		4,345
355	Power Generation Equipment		37,026					
360	Collection Sewers - Force		120,328					
361	Collection Sewers - Gravity		990,004					
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices		76,260					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			198,973				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment & Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipment				121,758			6,767
390	Office Furniture & Equipment							1,750
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							21,351
394	Laboratory Equipment							17,013
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							11,197
	Total Wastewater Plant	\$ -	\$ 1,295,420	\$ 291,980	\$ 121,758	\$ 11,943	\$ -	\$ 62,423

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

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)
351	Organization			
352	Franchises			
354	Structure and Improvements	35	%	2.86 %
355	Power Generation Equipment	20	%	5.00 %
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	45	%	2.22 %
362	Special Collecting Structures		%	
363	Services to Customers		%	
364	Flow Measuring Devices	5	%	20.00 %
365	Flow Measuring Installations		%	
366	Reuse Services		%	
367	Reuse Meters and Meter Installations		%	
370	Receiving Wells		%	
371	Pumping Equipment	18	%	5.56 %
374	Reuse Distribution Reservoirs		%	
375	Reuse Transmission and Distribution System		%	
380	Treatment & Disposal Equipment		%	
381	Plant Sewers		%	
382	Outfall Sewer Lines		%	
389	Other Plant / Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture & Equipment	15	%	6.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	
393	Tools, Shop and Garage Equipment	16	%	6.25 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment		%	
396	Communication Equipment		%	
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant	10	%	10.00 %
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: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
 December 31, 2006

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e) (Note 1)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ -	\$ -		\$ -
352	Franchises				
354	Structure and Improvements	55,055	3,067		3,067
355	Power Generation Equipment		1,235		1,235
360	Collection Sewers - Force	76,968	4,007		4,007
361	Collection Sewers - Gravity	430,780	21,978		21,978
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	76,260	-		
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	198,973	-		
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	121,758	-		
390	Office Furniture & Equipment	4,074	452		452
391	Transportation Equipment	910	291		291
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,011	-		
394	Laboratory Equipment	62	1,135	7,407	8,542
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	7,407	-	(7,407)	(7,407)
398	Other Tangible Plant	11,197	-		
Total Depreciable Wastewater Plant in Service		\$ 1,004,455	\$ 32,165	\$ -	\$ 32,165

* Specify nature of transaction.

Use () to denote reversal entries.

Note (1): reclassification

UTILITY NAME Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2006

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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	
352	Franchises					
354	Structure and Improvements					58,122
355	Power Generation Equipment					1,235
360	Collection Sewers - Force					80,975
361	Collection Sewers - Gravity					452,758
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					76,260
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					198,973
374	Reuse Distribution Reservoirs					
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					121,758
390	Office Furniture & Equipment					4,526
391	Transportation Equipment					1,201
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					21,011
394	Laboratory Equipment					8,604
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					11,197
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,036,620

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
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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			N/A

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 129,170
Debits during year:	
Accruals charged to Account	6,761
Other Debits (specify):	_____
_____	_____
_____	_____
Total debits	6,761
Credits during year (specify):	_____
_____	_____
_____	_____
Total credits	_____
Balance end of year	\$ 135,931

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER 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	424	424	\$ 138,806
522.2	Commercial Revenues	76	76	69,220
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	1,020	1,020	276,243
522	Total Measured Revenues	1,520	1,520	484,269
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,520	1,520	\$ 484,269
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ 117
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			\$ 117

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

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER 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 Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
Measured Reuse Revenues:				
541.1	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				\$ 484,386

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

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
 December 31, 2006

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 47,853	\$ -	\$ -	\$ -	\$ -	\$ 47,853	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	65,379						
704	Employee Pensions and Benefits	12,539					1,782	
710	Purchased Sewage Treatment	138,410					138,410	
711	Sludge Removal Expense							
715	Purchased Power	7,375			6,175			
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	3,824				3,037	787	
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	10,449						
733	Contractual Services - Legal	416						
734	Contractual Services - Mgt. Fees	3,500						
735	Contractual Services - Testing	12,243	791	6,922	1,556			
736	Contractual Services - Other	26,390		7,434		18,956		
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	917						
756	Insurance - Vehicle	909						
757	Insurance - General Liability	6,148						
758	Insurance - Workmens Comp.	4,041						
759	Insurance - Other	7,410						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	22,689				799		
	Total Wastewater Utility Expenses	\$ 370,492	\$ 791	\$ 14,356	\$ 7,731	\$ 22,792	\$ 188,832	\$ -

S-10(a)
 GROUP 1

UTILITY NAME: Royal Utility Company
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders		65,379				
704	Employee Pensions and Benefits		10,757				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		1,200				
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering		10,449				
732	Contractual Services - Accounting		416				
733	Contractual Services - Legal		3,500				
734	Contractual Services - Mgt. Fees		2,974				
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		917				
756	Insurance - Vehicle		909				
757	Insurance - General Liability		6,148				
758	Insurance - Workmens Comp.		4,041				
759	Insurance - Other		7,410				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		21,890				
	Total Wastewater Utility Expenses	\$ -	\$ 135,990	\$ -	\$ -	\$ -	\$ -

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
 December 31, 2006

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	424	424
5/8"	Displacement	1.0		
3/4"	Displacement	1.5	50	75
1"	Displacement	2.5	20	50
1 1/2"	Displacement or Turbine	5.0	1	5
2"	Displacement, Compound or Turbine	8.0	47	376
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
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				945

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

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:	(<u>73,540,000</u>	/ 365 days) / 280 gpd =	<u>720</u>
		(total gallons treated)		

UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT December 31, 2006

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	N/A(3)		
Basis of Permit Capacity (1)	N/A(3)		
Manufacturer	N/A(3)		
Type (2)	N/A(3)		
Hydraulic Capacity	N/A(3)		
Average Daily Flow	201,479		
Total Gallons of Wastewater Treated	73,540,000		
Method of Effluent Disposal	Purchased Sewage Broward County		

- (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.
- (3) All sewage is transmitted for treatment to the Broward County "201" treatment plant: therefore, permitted capacity, basis, manufacturer, type and hydraulic capacity questions are not applicable.

UTILITY NAME: Royal Utility Company
SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT
December 31, 2006

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present ERC's * that system can efficiently serve.	<u>945</u>
2. Maximum number of ERC's * which can be served.	<u>945</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>945</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Service area is built out</u>
5. Estimated annual increase in ERC's * .	<u>None</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
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.	
8. If the utility does not engage in reuse, has a reuse feasibility study been completed?	<u>No</u>
If so, when?	<u>N/A</u>
9. Has the utility been required by the DEP or water management district to implement reuse?	<u>No</u>
If so, what are the utility's plans to comply with the DEP?	<u>N/A</u>
10. When did the company last file a capacity analysis report with the DEP?	
11. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction begin?	<u>N/A</u>
d. Attach plans for funding the required upgrading.	<u>N/A</u>
e. Is this system under any Consent Order of the DEP?	<u>N/A</u>
11. Department of Environmental Protection ID #	<u>N/A</u>

* An ERC is determined based on the calculation on the bottom of Page S-11

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

Company: ROYAL UTILITY COMPANY

For the Year Ended December 31, 2006

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	457,569	457,569	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	171,987	171,987	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	39	39	-
Total Water Operating Revenue	\$ 629,595	\$ 629,595	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 629,595	\$ 629,595	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

Company: ROYAL UTILITY COMPANY

For the Year Ended December 31, 2006

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues per Sch. F-3	Gross Wastewater Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate revenues (521.1 - 521.6)	\$ -	\$ -	\$ -
Total Measured Revenues (522.1 - 522.5)	484,269	484,269	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	117	117	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 484,386	\$ 484,386	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 484,386	\$ 484,386	\$ -

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).