

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES

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

ANNUAL REPORT

OF

WS570-05-AR
ROYAL UTILITY COMPANY

Exact Legal Name of Respondent

259-W / 199-S

Certificate Numbers

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2007



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

James L. Carlstedt, C.P.A.
Paul E. DeChario, C.P.A.
Katherine U. Jackson, C.P.A.
Robert H. Jackson, C.P.A.
Cheryl T. Losee, C.P.A.
Robert C. Nixon, C.P.A.
Jeanette Sung, C.P.A.
Holly M. Towner, C.P.A.
James L. Wilson, C.P.A.

April 9, 2008

Officers and Directors
Royal Utility Company

We have compiled the balance sheets of Royal Utility Company as of December 31, 2007 and 2006, 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.


CARLSTEDT, JACKSON, NIXON & WILSON

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
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 should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
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 of the page with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2007

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

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

<u>Items Certified</u>			
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, 2007

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
 Carlstedt, 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

**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

YEAR OF REPORT
December 31, 2007

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/07

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

YEAR OF REPORT December 31, 2007

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 %	\$ 75,771
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as an 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, 2007

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, 2007

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, 2007

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, 2007

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

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:

<ul style="list-style-type: none"> - management, legal and accounting services - computer services - engineering & construction services - repairing and servicing of equipment 	<ul style="list-style-type: none"> - 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, 2007

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	\$ 4,537,543	\$ 4,514,508
108-110	Less: Accumulated Depreciation and Amortization	F-8	(2,840,903)	(2,747,213)
Net Plant			1,696,640	1,767,295
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,696,640	1,767,295
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)	(35,879)
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds		154,401	143,669
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	105,598	110,118
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		45,241	47,259
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	98,884	92,514
Total Current and Accrued Assets			404,089	357,681

* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2007

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	\$ 18,452	\$ 20,347
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	39,934	55,834
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		58,386	76,181
	TOTAL ASSETS AND OTHER DEBITS		\$ 2,159,115	\$ 2,201,157

* 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	(233,405)	(260,146)
216	Reacquired Capital Stock		(75,000)	(75,000)
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			491,695	464,954
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	1,234,689	1,311,096
Total Long Term Debt			1,234,689	1,311,096
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		22,694	43,442
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		81,000
234	Notes Payable to Associated Co.	F-18	126,000	
235	Customer Deposits		4,000	4,000
236	Accrued Taxes		30,207	27,371
237	Accrued Interest	F-19	12,372	9,963
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	3,650	
Total Current and Accrued Liabilities			198,923	165,776

* Not Applicable for Class B Utilities

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	(576,756)	(551,233)
Total Net C.I.A.C.			233,808	259,331
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			\$ 2,159,115	\$ 2,201,157

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)	\$ 1,113,981	\$ 1,093,090
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(156)	(156)
Net Operating Revenues			1,113,825	1,092,934
401	Operating Expenses	F-3(b)	824,558	814,182
403	Depreciation Expense	F-3(b)	93,641	93,691
	Less: Amortization of CIAC	F-22	(25,524)	(25,524)
Net Depreciation Expense			68,117	68,167
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	114,579	101,104
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			1,007,254	983,453
Net Utility Operating Income			106,571	109,481
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)]			106,727	109,637

* 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)
\$ 597,535	\$ 495,555	N/A
N/A	(156)	
597,535	495,399	-
429,907	384,275	
61,807	31,884	
(18,763)	(6,761)	
43,044	25,123	-
63,175	37,929	
536,126	447,327	
61,409	48,072	
	156	
61,409	48,228	N/A

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

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)]			\$ 106,727	\$ 109,637
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		19,913	18,472
421	Miscellaneous Nonutility Revenue		878	13,835
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			20,791	32,307
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	116,564	113,309
428	Amortization of Debt Discount & Expense	F-13	1,895	1,895
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			118,459	115,204
EXTRAORDINARY ITEMS				
433	Extraordinary Income (Expense)			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			9,059	26,741

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	\$ 2,753,185	\$ 1,784,358
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(1,772,401)	(1,068,502)
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			<u>409,141</u>	<u>476,935</u>
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	434,064	142,692
Subtotal			<u>843,205</u>	<u>619,627</u>
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		53,738	48,034
	Other (Specify):			
	_____		-	-

RATE BASE			<u>\$ 896,943</u>	<u>\$ 667,661</u>
NET UTILITY OPERATING INCOME			<u>\$ 61,409</u>	<u>\$ 48,072</u>
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			<u>6.85 %</u>	<u>7.20 %</u>

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	\$ 491,695	26.49 %	14.69 %	3.8900 %
Preferred Stock		%	- %	%
Long Term Debt	1,234,689	66.51 %	8.65 %	5.7531 %
Customer Deposits	4,000	0.21 %	6.00 %	0.0126 %
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes		%	- %	%
Other (Explain)		%	- %	%
Note payable associated company	126,000	6.79 %	4.13 %	0.2804 %
Total	\$ 1,856,384	100.00 %		9.94 %

(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: 14.69 %

Commission order approving Return on Equity: Order No. 12170

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate: None %

Commission order approving AFUDC rate: _____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2007

**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	\$ 2,753,185	\$ 1,784,358	N/A	\$ 4,537,543
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		\$ 2,753,185	\$ 1,784,358	N/A	\$ 4,537,543

**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	\$ 1,710,593	\$ 1,036,620	N/A	\$ 2,747,213
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	61,807	31,884		93,691
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				

Salvage				
Other Credits (specify) :				

Total credits	61,807	31,884		93,691
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify) (rounding)	1	(2)		(1)

Total debits	1	(2)		(1)
Balance end of year	\$ 1,772,401	\$ 1,068,502	N/A	\$ 2,840,903

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.

**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

YEAR OF REPORT December 31, 2007

**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

YEAR OF REPORT
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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	\$ 99,228	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 99,228
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
AVR - Co-Bank	\$ 6,370	
Total Other Accounts Receivable		\$ 6,370
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		105,598
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		\$ 105,598

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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**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	\$ 98,884
Total	\$ 98,884

UTILITY NAME: Royal Utility Company

YEAR OF REPORT December 31, 2007

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	\$ 18,452
Total Unamortized Debt Discount and Expense	\$ 1,895	\$ 18,452
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	\$ -

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	39,718
Total Other Deferred Debits	\$ 15,900	\$ 39,934
REGULATORY ASSETS (Class A Utilities: Account 186.3):		
None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 15,900	\$ 39,934

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
December 31, 2007

**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

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (260,146)
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	26,741
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	(233,405)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____

214	Total Appropriated Retained Earnings	_____
	Total Retained Earnings (Deficit)	\$ (233,405)

Notes to Statement of Retained Earnings:

UTILITY NAME: Royal Utility Company

YEAR OF REPORT
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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):			\$ -
Note Payable to Shareholders - Variable AFR rate	4.13 %	V	126,000
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ 126,000

* 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)
N/A	
Total	

**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	\$ 9,549	427	\$ 109,964	\$ 110,900	\$ 8,613
N/P Stockholders			3,345		3,345
Total Account No. 237.1	9,549		113,309	110,900	11,958
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits	414	427.00		-	414
Total Account 237.2	414				414
Total Account 237 (1)	\$ 9,963		\$ 113,309	\$ 110,900	\$ 12,372
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 113,309		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 113,309		

(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

YEAR OF REPORT
December 31, 2007

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Miscellaneous liability for insurance proceeds	\$ 3,650
Total Miscellaneous Current and Accrued Liabilities	\$ 3,650

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None			\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ -		\$ -	\$ -	\$ -

* Report advances separately by reporting group, designating water or wastewater in column (a)

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	\$ -	\$ -
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
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	\$ 415,302	\$ 135,931	N/A	\$ 551,233
Debits during year:	18,763	6,761		25,524
Credits during year (specify): Rounding	1			
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 434,064	\$ 142,692		\$ 576,756

UTILITY NAME: Royal Utility Company

**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	F-3 (c)	\$ 26,741
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		\$ 26,741
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
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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)	\$ 2,753,185
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(1,772,401)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(571,643)
252	Advances for Construction	F-20	
	Subtotal		409,141
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	434,064
	Subtotal		843,205
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		53,738
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 896,943
	UTILITY OPERATING INCOME	W-3	\$ 61,409
Achieved Rate of Return (Water Operating Income/Water Rate Base)			6.85 %

- 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)
400	UTILITY OPERATING INCOME Operating Revenues	W-9	597,535
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		<u>597,535</u>
401	Operating Expenses	W-10(a)	429,907
403	Depreciation Expense	W-6(a)	61,807
	Less: Amortization of CIAC	W-8(a)	(18,763)
	Net Depreciation Expense		43,044
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		26,911
408.11	Property Taxes		20,088
408.12	Payroll Taxes		15,376
408.13	Other Taxes & Licenses		800
408	Total Taxes Other Than Income		63,175
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		<u>536,126</u>
	Utility Operating Income		<u>61,409</u>
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
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		<u>\$ 61,409</u>

UTILITY NAME: Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

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	713			713
303	Land and Land Rights	76,123			76,123
304	Structure and Improvements	415,947			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		11,948		11,948
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	1,728		765,127
333	Services	168,098			168,098
334	Meters and Meter Installations	317,997	2,909		320,906
335	Hydrants	68,439			68,439
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	58,047	2,480		60,527
340	Office Furniture and Equipment	7,184	492		7,676
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	2,644		5,856
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	\$ 22,201	\$ -	\$ 2,753,185

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

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

YEAR OF REPORT
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WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	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	11,948		11,948			
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	765,127				765,127	
333	Services	168,098				168,098	
334	Meters and Meter Installations	320,906				320,906	
335	Hydrants	68,439				68,439	
336	Backflow Prevention Devices						
339	Other Plant / Miscellaneous Equipment	60,527				60,527	
340	Office Furniture and Equipment	7,676					7,676
341	Transportation Equipment	1,750					1,750
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	8,774					8,774
344	Laboratory Equipment	5,856					5,856
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	\$ 2,753,185	\$ 713	\$ 767,102	\$ 404,622	\$ 1,392,197	\$ 188,551

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

YEAR OF REPORT
December 31, 2007

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			
304	Structure and Improvements	33	%	3.03 %
305	Collecting and Impounding Reservoirs	33	%	3.03 %
306	Lake, River and Other Intakes		%	
307	Wells and Springs		%	
308	Infiltration Galleries and Tunnels	20	%	5.00 %
309	Supply Mains		%	
310	Power Generation Equipment	35	%	2.86 %
311	Pumping Equipment		%	
320	Water Treatment Equipment	20	%	5.00 %
330	Distribution Reservoirs and Standpipes	22	%	4.55 %
331	Transmission and Distribution Mains	37	%	2.70 %
333	Services	45	%	2.22 %
334	Meters and Meter Installations	40	%	2.50 %
335	Hydrants	20	%	5.00 %
336	Backflow Prevention Devices	45	%	2.22 %
339	Other Plant / Miscellaneous Equipment		%	
340	Office Furniture and Equipment	25	%	4.00 %
341	Transportation Equipment	15	%	6.67 %
342	Stores Equipment	6	%	16.67 %
343	Tools, Shop and Garage Equipment		%	
344	Laboratory Equipment	16	%	6.25 %
345	Power Operated Equipment	15	%	6.67 %
346	Communication Equipment		%	
347	Miscellaneous Equipment		%	
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	271	18		18
304	Structure and Improvements	229,563	12,057		12,057
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	1,316		1,316
310	Power Generation Equipment				
311	Pumping Equipment	685,457	0		
320	Water Treatment Equipment	13,846	714		714
330	Distribution Reservoirs and Standpipes	7,528	246		246
331	Transmission and Distribution	332,216	16,967		16,967
333	Services	78,558	4,203		4,203
334	Meters and Meter Installations	202,859	15,419		15,419
335	Hydrants	28,257	1,519		1,519
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	16,763	2,372		2,372
340	Office Furniture and Equipment	5,226	495		495
341	Transportation Equipment	1,201	292		292
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	6,489	548		548
344	Laboratory Equipment	3,212	88		88
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	10,391	1,165		1,165
348	Other Tangible Plant	24,382	4,388	1	4,389
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,710,593	\$ 61,807	\$ 1	\$ 61,808

* 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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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					289
304	Structure and Improvements					241,620
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					42,007
310	Power Generation Equipment					
311	Pumping Equipment					685,457
320	Water Treatment Equipment					14,560
330	Distribution Reservoirs and Standpipes					7,774
331	Transmission and Distribution					349,183
333	Services					82,761
334	Meters and Meter Installations					218,278
335	Hydrants					29,776
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					19,135
340	Office Furniture and Equipment					5,721
341	Transportation Equipment					1,493
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					7,037
344	Laboratory Equipment					3,300
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					11,556
348	Other Tangible Plant					28,771
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 1,772,401

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

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**CONTRIBUTIONS IN AID OF CONSTRUCTION
 ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance First of Year		\$ 571,643
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	W-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 571,643

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all Debits charged to Account 271 during the year below:

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

YEAR OF REPORT
 December 31, 2007

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	\$ 143,343
461.2	Metered Sales to Commercial Customers	76	76	69,179
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	265,836
	Total Metered Sales	1,520	1,520	478,358
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	119,177
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,926	1,926	597,535
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			
	Total Water Operating Revenues			\$ 597,535

* 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, 2007

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	\$ 103,849	\$ -	\$ 103,849
603	Salaries and Wages - Officers, Directors and Majority Stockholders	40,500		
604	Employee Pensions and Benefits	13,994		1,950
610	Purchased Water			
615	Purchased Power	50,353		
616	Fuel for Power Production			
618	Chemicals	25,218		
620	Materials and Supplies	2,332		827
631	Contractual Services - Engineering	4,338		
632	Contractual Services - Accounting	9,080		
633	Contractual Services - Legal	2,382		
634	Contractual Services - Mgt. Fees	3,500		
635	Contractual Services - Testing	21,302	2,366	
636	Contractual Services - Other	49,080		5,746
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	1,333		
656	Insurance - Vehicle	1,677		
657	Insurance - General Liability	14,122		
658	Insurance - Workmens Comp.	6,185		
659	Insurance - Other	13,778		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	66,884		
Total Water Utility Expenses		\$ 429,907	\$ 2,366	\$ 112,372

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

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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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					40,500
					12,044
49,153					1,200
25,218					
	200	1,305			
					4,338
					9,080
					2,382
					3,500
16,461					2,475
25,272	18,062				
					1,333
					1,677
					14,122
					6,185
					13,778
15,900	3,678				47,306
\$ 132,004	\$ 21,940	\$ 1,305			\$ 159,920

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		11,533	90	11,443	10,464
February		10,227	90	10,137	10,732
March		11,507	90	11,417	10,641
April		10,921	90	10,831	10,385
May		10,949	90	10,859	9,015
June		9,078	90	8,988	10,323
July		9,173	90	9,083	8,209
August		10,293	90	10,203	9,863
September		9,654	90	9,564	9,615
October		9,538	90	9,448	8,454
November		10,498	90	10,408	9,804
December		11,035	90	10,945	10,432
Total for year	N/A	124,406	1,080	123,326	117,937

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				1,976

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:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC Calculation:

ERC =	117,937	gallons, divided by
	350	gallons per day
	<u>365</u>	days
	<u>923.2</u>	ERC's

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)	\$ 1,784,358
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,068,502)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(238,921)
252	Advances for Construction	F-20	
	Subtotal		476,935
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	142,692
	Subtotal		619,627
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		48,034
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 667,661
	UTILITY OPERATING INCOME	S-3	\$ 48,072
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		7.20 %

- 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)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 495,555
530	Less: Guaranteed Revenue and AFPI	S-9	(156)
	Net Operating Revenues		495,399
401	Operating Expenses	S-10(a)	384,275
403	Depreciation Expense	S-6(a)	31,884
	Less: Amortization of CIAC	S-8(a)	(6,761)
	Net Depreciation Expense		25,123
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		22,548
408.11	Property Taxes		14,606
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		775
408	Total Taxes Other Than Income		37,929
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		447,327
	Utility Operating Income		48,072
530	Add Back: Guaranteed Revenue (and AFPI)		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		\$ 48,228

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

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	71,802			71,802
354	Structure and Improvements	109,295			109,295
355	Power Generation Equipment	37,026	342		37,368
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	492		7,259
391	Transportation Equipment	1,750			1,750
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351			21,351
394	Laboratory Equipment	17,013			89
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				16,924
398	Other Tangible Plant	11,197			11,197
	Total Wastewater Plant	\$ 1,783,524	\$ 834	\$ -	\$ 1,784,358

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

Note: Retirements (Column (e)) to reclassify to correct account

S-4(a)
 GROUP 1

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

YEAR OF REPORT
 December 31, 2007

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					
354	Structure and Improvements			93,007		11,943		4,345
355	Power Generation Equipment							
360	Collection Sewers - Force		37,368					
361	Collection Sewers - Gravity		120,328					
362	Special Collecting Structures		990,004					
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							7,259
381	Plant Sewers							1,750
382	Outfall Sewer Lines				121,758			21,351
389	Other Plant / Miscellaneous Equipme							89
390	Office Furniture & Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							16,924
398	Other Tangible Plant							11,197
	Total Wastewater Plant	\$ -	\$ 1,295,762	\$ 291,980	\$ 121,758	\$ 11,943	\$ -	\$ 62,915

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		%	%
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
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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	58,122	3,067		3,067
355	Power Generation Equipment	1,235	937		937
360	Collection Sewers - Force	80,975	4,007		4,007
361	Collection Sewers - Gravity	452,758	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	4,526	467		467
391	Transportation Equipment	1,201	292		292
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,011	-		
394	Laboratory Equipment	8,604	1,136	(2)	1,134
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	\$ 31,884	\$ (2)	\$ 31,882

* Specify nature of transaction.

Use () to denote reversal entries.

Note (1): reclassification

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					61,189
354	Structure and Improvements					2,172
355	Power Generation Equipment					84,982
360	Collection Sewers - Force					474,736
361	Collection Sewers - Gravity					
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					4,993
391	Transportation Equipment					1,493
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					21,011
394	Laboratory Equipment					9,738
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					11,197
Total Depreciable Wastewater Plant in Service						\$ 1,068,502

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	\$ 135,931
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	\$ 142,692

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
Flat Rate Revenues:				
521.1	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			-
Measured Revenues:				
522.1	Residential Revenues	424	424	\$ 136,126
522.2	Commercial Revenues	76	76	74,409
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	1,020	1,020	284,864
522	Total Measured Revenues	1,520	1,520	495,399
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,520	1,520	\$ 495,399
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ 156
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			\$ 156

* 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				
Flat Rate Reuse Revenues:				
540.1	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				\$ 495,555

* 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
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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	\$ 68,863	\$ -	\$ -	\$ -	\$ -	\$ 68,863	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	40,500						
704	Employee Pensions and Benefits	13,994					1,951	
710	Purchased Sewage Treatment	158,910					158,910	
711	Sludge Removal Expense							
715	Purchased Power	7,652			6,452			
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	12,488			2,584	8,599	1,305	
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	9,080						
733	Contractual Services - Legal	2,382						
734	Contractual Services - Mgt. Fees	3,500						
735	Contractual Services - Testing	8,632	824	5,333				
736	Contractual Services - Other	14,164		5,189			8,975	
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	1,213						
756	Insurance - Vehicle	903						
757	Insurance - General Liability	7,604						
758	Insurance - Workmens Comp.	3,330						
759	Insurance - Other	7,420						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	23,640				1,170		
	Total Wastewater Utility Expenses	\$ 384,275	\$ 824	\$ 10,522	\$ 9,036	\$ 18,744	\$ 231,029	\$ -

S-10(a)
 GROUP 1

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		40,500				
704	Employee Pensions and Benefits		12,043				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense		1,200				
715	Purchased Power						
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering		9,080				
732	Contractual Services - Accounting		2,382				
733	Contractual Services - Legal		3,500				
734	Contractual Services - Mgt. Fees		2,475				
735	Contractual Services - Testing						
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		1,213				
756	Insurance - Vehicle		903				
757	Insurance - General Liability		7,604				
758	Insurance - Workmens Comp.		3,330				
759	Insurance - Other		7,420				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		22,470				
	Total Wastewater Utility Expenses	\$ -	\$ 114,120	\$ -	\$ -	\$ -	\$ -

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

YEAR OF REPORT
December 31, 2007

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:	$\left(\frac{73,540,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 280 \text{ gpd} =$	720
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UTILITY NAME: Royal Utility Company
 SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT December 31, 2007

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

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December 31, 2007

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, 2007

(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)	478,358	478,358	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	119,177	119,177	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	-	-	-
Total Water Operating Revenue	\$ 597,535	\$ 597,535	\$ -
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
Net Water Operating Revenues	\$ 597,535	\$ 597,535	\$ -

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, 2007

(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)	495,399	495,399	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	156	156	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
Total Wastewater Operating Revenue	\$ 495,555	\$ 495,555	\$ -
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
Net Wastewater Operating Revenues	\$ 495,555	\$ 495,555	\$ -

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).