

# CLASS "A" OR "B"

## WATER and/or WASTEWATER UTILITIES

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

# ANNUAL REPORT

OF

WS570-11-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, 2011



CERTIFIED PUBLIC ACCOUNTANTS, P.A.

*James L. Carlstedt, CPA  
David N. Casto, CPA  
Anthony Q. De Santis, CPA  
Katherine U. Jackson, CPA  
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*Jeffrey K. Jones, CPA  
Robert C. Nixon, CPA  
Jeanette Sung, CPA  
Holly M. Towner, CPA  
James L. Wilson, CPA*

## Independent Accountant's Compilation Report

April 10, 2012

**Officers and Directors**  
Royal Utility Company  
Coral Springs, Florida

We have compiled the balance sheet of Royal Utility Company as of December 31, 2011 and 2010, and the related statements of income and retaining earnings for the year ended December 31, 2011 included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Florida Public Service Commission.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Florida Public Service Commission and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which differs from accounting principles generally accepted in the United States of America. The report is intended solely for information and use of the Florida Public Service Commission and is not intended to be and should not be used by anyone other than this specified party.

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, 2011

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

- |              |           |    |   |
|--------------|-----------|----|---|
| YES<br>( X ) | NO<br>( ) | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 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<br>( X ) | NO<br>( ) | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

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




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(signature of the chief executive officer of the utility)

1.	2.	3.	4.
( )	( )	( )	( )

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(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, 2011
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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: info@Royalutility.com

WEB Site: www.RoyalUtility.com

Sunshine State One-Call of Florida, Inc. Member Number RUC403

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:

Carlstedt, 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

<b>YEAR OF REPORT</b> December 31, 2011
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**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	Carlstedt, 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, 2011
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**PARENT / AFFILIATE ORGANIZATION CHART**  
Current as of 12/31/11

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

<b>YEAR OF REPORT</b> December 31, 2011
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**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 %	\$ 43,000
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

**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, 2011

**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

<b>YEAR OF REPORT</b> December 31, 2011
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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.

<b>NAME</b> (a)	<b>PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION</b> (b)	<b>AFFILIATION OR CONNECTION</b> (c)	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION</b> (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

<b>YEAR OF REPORT</b> December 31, 2011
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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

<b>YEAR OF REPORT</b> December 31, 2011
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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**

1. Enter in this part all transactions involving services and products received or provided.
2. 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				\$



UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2011
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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"> <li>- purchase, sale or transfer of equipment.</li> <li>- purchase, sale or transfer of land and structures.</li> <li>- purchase, sale or transfer of securities.</li> <li>- noncash transfers of assets.</li> <li>- noncash dividends other than stock dividends.</li> <li>- writeoff of bad debts or loans.</li> </ul> | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> <li>(a) Enter name of related party or company.</li> <li>(b) Describe briefly the type of assets purchased, sold or transferred.</li> <li>(c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".</li> <li>(d) Enter the net book value for each item reported.</li> <li>(e) Enter the net profit or loss for each item (column (c) - column (d)).</li> <li>(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.</li> </ul> |
|--|---|

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**

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 4,697,718	\$ 4,668,765
108-110	Less: Accumulated Depreciation and Amortization	F-8	(3,253,085)	(3,142,953)
Net Plant			1,444,633	1,525,812
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,444,633	1,525,812
<b>OTHER PROPERTY AND INVESTMENTS</b>				
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				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		106,312	32,739
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds		108,444	100,040
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	106,013	107,485
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies		20,590	19,935
161	Stores Expense			
162	Prepayments		21,200	30,410
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	113,688	110,494
Total Current and Accrued Assets			476,247	401,103

\* Not Applicable for Class B Utilities

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2011
--

**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	\$ 10,872	\$ 12,767
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14	14,608	21,513
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		25,480	34,280
	TOTAL ASSETS AND OTHER DEBITS		\$ 1,946,360	\$ 1,961,195

\* Not Applicable for Class B Utilities

**NOTES TO THE BALANCE SHEET**

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

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
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	(68,321)	(142,826)
216	Reacquired Capital Stock		(75,000)	(75,000)
218	Proprietary Capital (Proprietorship and Partnership Only)			
<b>Total Equity Capital</b>			<b>656,779</b>	<b>582,274</b>
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	857,730	963,890
<b>Total Long Term Debt</b>			<b>857,730</b>	<b>963,890</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		15,565	25,342
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18	216,000	171,000
235	Customer Deposits		2,869	3,369
236	Accrued Taxes		26,862	26,141
237	Accrued Interest	F-19	35,492	28,349
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	3,350	3,592
<b>Total Current and Accrued Liabilities</b>			<b>300,138</b>	<b>257,793</b>

\* 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)
<b>DEFERRED CREDITS</b>				
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				
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	810,564	810,564
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(678,851)	(653,326)
Total Net C.I.A.C.			131,713	157,238
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
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				
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<b>\$ 1,946,360</b>	<b>\$ 1,961,195</b>

## 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)	\$ 1,145,657	\$ 1,201,740
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)	(156)	(153)
Net Operating Revenues			1,145,501	1,201,587
401	Operating Expenses	F-3(b)	849,854	865,426
403	Depreciation Expense	F-3(b)	98,305	110,130
	Less: Amortization of CIAC	F-22	(25,524)	(25,526)
Net Depreciation Expense			72,781	84,604
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	107,122	105,329
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			1,029,757	1,055,359
Net Utility Operating Income			115,744	146,228
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	156	153
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)]			115,900	146,381

\* 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)
\$ 630,409	\$ 571,331	N/A
N/A	(153)	
630,409	571,178	-
437,175	428,251	
62,834	47,296	
(18,763)	(6,763)	
44,071	40,533	-
67,002	38,327	
548,248	507,111	
82,161	64,067	
	153	
82,161	64,220	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)]			\$ 115,900	\$ 146,381
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		10,196	10,925
421	Miscellaneous Nonutility Revenue		(1)	6,033
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			10,195	16,958
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
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				
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	94,910	86,937
428	Amortization of Debt Discount & Expense	F-13	1,895	1,895
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			96,805	88,832
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income (Expense)			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			29,291	74,507

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	\$ 2,853,519	\$ 1,844,199
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(2,037,857)	(1,215,228)
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			244,019	390,050
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	509,116	169,735
Subtotal			753,135	559,785
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		54,647	53,531
	Other (Specify):			
RATE BASE			\$ 807,782	\$ 613,316
NET UTILITY OPERATING INCOME			\$ 82,161	\$ 64,067
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			10.17 %	10.45 %

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.







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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b> Account 108				
Balance first of year	\$ 1,975,021	\$ 1,167,932	N/A	\$ 3,142,953
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	62,834	47,296		110,130
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Rounding	2			2
Salvage				
Other Credits (specify) :				
<b>Total credits</b>	<b>62,836</b>	<b>47,296</b>		<b>110,132</b>
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify) (rounding)				
<b>Total debits</b>				
Balance end of year	\$ 2,037,857	\$ 1,215,228	N/A	\$ 3,253,085

<b>ACCUMULATED AMORTIZATION</b> 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):				
<b>Total credits</b>				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
<b>Total debits</b>				
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**  
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**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

<b>YEAR OF REPORT</b> December 31, 2011
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**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		\$ _____ -



**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	\$ 99,365	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 99,365
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
A/R - Co-Bank	\$ 5,931	
A/R - Other	717	
Total Other Accounts Receivable		\$ 6,648
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		106,013
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		\$ 106,013

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2011
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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	\$ 113,688
Total	\$ 113,688

UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2011
--

**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):		
<u>Deferred loan costs - CoBank</u>	\$ 1,895	\$ 10,872
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Total Unamortized Debt Discount and Expense</u>	\$ 1,895	\$ 10,872
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
<u>N/A</u>	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Total Unamortized Premium on Debt</u>	\$ -	\$ -

**EXTRAORDINARY PROPERTY LOSSES**  
**ACCOUNT 182**

Report each item separately.

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



UTILITY NAME: Royal Utility Company

<b>YEAR OF REPORT</b> December 31, 2011
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**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
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		
<b>PREFERRED STOCK</b>		
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	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
<b>Total</b>			\$ -

\* 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)	\$ (142,826)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: Rounding	    (2)
	Total Credits	(2)
	Debits:	
	Total Debits	
435	Balance transferred from Income	74,507
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	(68,321)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
214	Total Appropriated Retained Earnings	
	Total Retained Earnings (Deficit)	\$ (68,321)

Notes to Statement of Retained Earnings:



UTILITY NAME: Royal Utility Company

YEAR OF REPORT  
December 31, 2011

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	4.13 %	F	\$ 216,000
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ 216,000

\* 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	\$ 7,128	427	\$ 79,017	\$ 79,794	\$ 6,351
N/P Stockholders	20,807		7,920		28,727
<b>Total Account No. 237.1</b>	<u>27,935</u>		<u>86,937</u>	<u>79,794</u>	<u>35,078</u>
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits	414	427.00		-	414
<b>Total Account 237.2</b>	<u>414</u>				<u>414</u>
<b>Total Account 237 (1)</b>	<u>\$ 28,349</u>		<u>\$ 86,937</u>	<u>\$ 79,794</u>	<u>\$ 35,492</u>
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 86,937		
Less Capitalized Interest Portion of AFUDC:					
None					
<b>Net Interest Expensed to Account No. 427 (2)</b>			<u>\$ 86,937</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

**YEAR OF REPORT**  
December 31, 2011

**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	\$ -	\$ -
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ -	\$ -

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	\$ 490,353	\$ 162,973	N/A	\$ 653,326
Debits during year:	18,763	6,763		25,526
Credits during year (specify): Rounding	-	1		
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 509,116	\$ 169,735		\$ 678,851

**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)	\$ 74,507
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		\$ 74,507
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)	\$ 2,853,519
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(2,037,857)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(571,643)
252	Advances for Construction	F-20	
	Subtotal		244,019
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	509,116
	Subtotal		753,135
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		54,647
	Other (Specify): Completed Construction not Classified		-
	WATER RATE BASE		\$ 807,782
	UTILITY OPERATING INCOME	W-3	\$ 82,161
ACHIEVED RATE OF RETURN (Water Operating Income/Water Rate Base)			10.17 %

- 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	630,409
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		630,409
401	Operating Expenses	W-10(a)	437,175
403	Depreciation Expense	W-6(a)	62,834
	Less: Amortization of CIAC	W-8(a)	(18,763)
	Net Depreciation Expense		44,071
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		28,373
408.11	Property Taxes		22,548
408.12	Payroll Taxes		13,915
408.13	Other Taxes & Licenses		2,166
408	Total Taxes Other Than Income		67,002
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		548,248
	Utility Operating Income		82,161
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		\$ 82,161

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

YEAR OF REPORT  
 December 31, 2011

- 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	460,975	11,388		472,363
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	696,805	8,230		705,035
320	Water Treatment Equipment	22,649	3,428		26,077
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	321,914	1,709		323,623
335	Hydrants	68,439			68,439
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	60,527			60,527
340	Office Furniture and Equipment	10,343			10,343
341	Transportation Equipment	6,205			6,205
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	20,075	1,513		21,588
348	Other Tangible Plant	43,883			43,883
TOTAL WATER PLANT		\$ 2,827,251	\$ 26,268	\$ -	\$ 2,853,519

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  
 December 31, 2011

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	472,363			357,829		114,534	
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	705,035			705,035			
320	Water Treatment Equipment	26,077				26,077		
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	323,623					323,623	
335	Hydrants	68,439					68,439	
336	Backflow Prevention Devices							
339	Other Plant / Miscellaneous Equipment	60,527					60,527	
340	Office Furniture and Equipment	10,343						10,343
341	Transportation Equipment	6,205						6,205
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	21,588					21,588	
348	Other Tangible Plant	43,883					43,883	
	TOTAL WATER PLANT	\$ 2,853,519	\$ 713	\$ 786,680	\$ 460,029	\$ 1,394,914	\$ 211,183	

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

**YEAR OF REPORT**  
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**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	20	%	5.00 %
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	15	%	6.67 %
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.

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

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**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)(1)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -		\$ -
302	Franchises	343	17		17
304	Structure and Improvements	278,716	13,563		13,563
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	45,955	59		59
310	Power Generation Equipment	2,091	597		597
311	Pumping Equipment	696,024	987		987
320	Water Treatment Equipment	15,856	1,108		1,108
330	Distribution Reservoirs and Standpipes	8,511	245		245
331	Transmission and Distribution	400,140	16,986		16,986
333	Services	95,368	4,203		4,203
334	Meters and Meter Installations	264,776	15,585		15,585
335	Hydrants	34,334	1,520		1,520
336	Backflow Prevention Devices				
339	Other Plant / Miscellaneous Equipment	26,398	2,421		2,421
340	Office Furniture and Equipment	7,535	690		690
341	Transportation Equipment	4,967	1,035		1,035
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	8,683	90	1	91
344	Laboratory Equipment	4,472	390	1	391
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	15,234	1,390		1,390
348	Other Tangible Plant	41,935	1,948	-	1,948
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		<b>\$ 1,975,021</b>	<b>\$ 62,834</b>	<b>\$ 2</b>	<b>\$ 62,836</b>

\* Specify nature of transaction.  
 Use ( ) to denote reversal entries.  
 Note: (1) Rounding

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) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -
302	Franchises					360
304	Structure and Improvements					292,279
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					46,014
310	Power Generation Equipment					2,688
311	Pumping Equipment					697,011
320	Water Treatment Equipment					16,964
330	Distribution Reservoirs and Standpipes					8,756
331	Transmission and Distribution					417,126
333	Services					99,571
334	Meters and Meter Installations					280,361
335	Hydrants					35,854
336	Backflow Prevention Devices					
339	Other Plant / Miscellaneous Equipment					28,819
340	Office Furniture and Equipment					8,225
341	Transportation Equipment					6,002
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					8,774
344	Laboratory Equipment					4,863
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					16,624
348	Other Tangible Plant					43,883
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 2,037,857









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

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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	\$ 140,182
461.2	Metered Sales to Commercial Customers	76	76	68,074
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	284,574
	Total Metered Sales	1,520	1,520	492,830
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	137,579
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,926	1,926	630,409
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			\$ 630,409

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

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

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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	\$ 118,395	\$ -	\$ 118,395
603	Salaries and Wages - Officers, Directors and Majority Stockholders	44,000		
604	Employee Pensions and Benefits	9,874		1,843
610	Purchased Water			
615	Purchased Power	48,783		
616	Fuel for Power Production			
618	Chemicals	39,427		
620	Materials and Supplies	4,726	827	
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	9,124		
633	Contractual Services - Legal	2,541		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing	16,211	186	
636	Contractual Services - Other	33,703		5,525
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	1,969		
656	Insurance - Vehicle	3,327		
657	Insurance - General Liability	12,514		
658	Insurance - Workmens Comp.	3,966		
659	Insurance - Other	11,722		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	76,893		
Total Water Utility Expenses		\$ 437,175	\$ 1,013	\$ 125,763

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					44,000
					8,031
47,483					1,300
39,427					
2,134	588	1,152			25
					9,124
					2,541
13,125					2,900
17,149	11,029				
					1,969
					3,327
					12,514
					3,966
					11,722
6,905	9,362		7,212		53,414
\$ 126,223	\$ 20,979	\$ 1,152	\$ 7,212		\$ 154,833

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

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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	-	10,696	750	9,946	9,069
February		9,855	500	9,355	8,932
March		11,873	495	11,378	9,224
April		12,421	750	11,671	12,773
May		12,564	525	12,039	10,526
June		12,783	650	12,133	13,894
July		11,272	725	10,547	9,967
August		10,408	775	9,633	11,011
September		9,580	750	8,830	8,098
October		10,153	775	9,378	8,173
November		9,732	700	9,032	9,985
December		11,461	725	10,736	8,312
Total for year	N/A	132,798	8,120	124,678	119,964

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  
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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 &amp; coagulation</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer <u>Infilco</u>
<b>FILTRATION</b>	
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  
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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	424	424
5/8"	Displacement	1.0		
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:

$$\begin{array}{r}
 ERC = \quad 119,964 \text{ gallons, divided by} \\
 \quad \quad \quad 350 \text{ gallons per day} \\
 \quad \quad \quad \underline{\quad 365 \text{ days}} \\
 \quad \quad \quad \underline{\quad 939.1 \text{ ERC's}}
 \end{array}$$

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

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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>06-00003-W</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)	\$ 1,844,199
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	(1,215,228)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	(238,921)
252	Advances for Construction	F-20	
	Subtotal		390,050
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	169,735
	Subtotal		559,785
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		53,531
	Other (Specify): Completed Construction not Classified		-
	WASTEWATER RATE BASE		\$ 613,316
	UTILITY OPERATING INCOME	S-3	\$ 64,067
	ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)		10.45 %

- 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	\$ 571,331
530	Less: Guaranteed Revenue and AFPI	S-9	(153)
	Net Operating Revenues		571,178
401	Operating Expenses	S-10(a)	428,251
403	Depreciation Expense	S-6(a)	47,296
	Less: Amortization of CIAC	S-8(a)	(6,763)
	Net Depreciation Expense		40,533
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		25,670
408.11	Property Taxes		12,141
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		516
408	Total Taxes Other Than Income		38,327
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		507,111
	Utility Operating Income		64,067
530	Add Back: Guaranteed Revenue (and AFPI)		153
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		\$ 64,220

UTILITY NAME: Royal Utility Company  
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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	136,420			136,420
355	Power Generation Equipment	37,368			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	81,227			81,227
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	206,712	2,685		209,397
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	9,926			9,926
391	Transportation Equipment	6,205			6,205
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,351			21,351
394	Laboratory Equipment	27,216			27,216
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	11,197			11,197
Total Wastewater Plant		\$ 1,841,514	\$ 2,685	\$ -	\$ 1,844,199

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

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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		31,470
355	Power Generation Equipment		37,368					
360	Collection Sewers - Force		120,328					
361	Collection Sewers - Gravity		990,004					
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices		81,227					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			209,397				
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							9,926
391	Transportation Equipment							6,205
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							21,351
394	Laboratory Equipment							27,216
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							11,197
	Total Wastewater Plant	\$ -	\$ 1,300,729	\$ 302,404	\$ 121,758	\$ 11,943	\$ -	\$ 107,365

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  
 December 31, 2011

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ -	\$ -		\$ -
352	Franchises				
354	Structure and Improvements	71,069	3,745		3,745
355	Power Generation Equipment	4,975	934		934
360	Collection Sewers - Force	97,003	4,007		4,007
361	Collection Sewers - Gravity	540,671	21,978		21,978
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	76,260	4,967		4,967
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	198,973	7,814		7,814
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	6,724	662		662
391	Transportation Equipment	4,225	1,034		1,034
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	21,011	340		340
394	Laboratory Equipment	14,066	1,815		1,815
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	11,197	-		
Total Depreciable Wastewater Plant in Service		\$ 1,167,932	\$ 47,296	\$ -	\$ 47,296

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



UTILITY NAM Royal Utility Company

SYSTEM NAME / COUNTY: Royal Utility Co / Broward

YEAR OF REPORT  
December 31, 2011

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					74,814
355	Power Generation Equipment					5,909
360	Collection Sewers - Force					101,010
361	Collection Sewers - Gravity					562,649
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					81,227
365	Flow Measuring Installations					
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					206,787
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					7,386
391	Transportation Equipment					5,259
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					21,351
394	Laboratory Equipment					15,881
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					
398	Other Tangible Plant					11,197
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,215,228



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

**YEAR OF REPORT**  
**December 31, 2011**

**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	\$ 162,973
Debits during year:	
Accruals charged to Account	6,763
Other Debits (specify):	
Total debits	6,763
Credits during year (specify):	
Rounding	1
Total credits	1
Balance end of year	\$ 169,735



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	\$ 154,867
522.2	Commercial Revenues	76	76	79,507
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)	1,020	1,020	336,804
522	Total Measured Revenues	1,520	1,520	571,178
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,520	1,520	\$ 571,178
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ 153
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			\$ 153

\* 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			
541.1	Measured Reuse Revenues: Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 571,331

\* 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, 2011

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1	.2	.3	.4	.5	.6
			COLLECTION EXPENSES - OPERATIONS (d)	SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	PUMPING EXPENSES - OPERATIONS (f)	PUMPING EXPENSES - MAINTENANCE (g)	TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 72,201	\$ -	\$ -	\$ -	\$ -	\$ 72,201	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	44,000						
704	Employee Pensions and Benefits	9,375					1,344	
710	Purchased Sewage Treatment	200,744					200,744	
711	Sludge Removal Expense	8,975						8,975
715	Purchased Power	5,959			4,659			
716	Fuel for Power Production							
718	Chemicals							
720	Materials and Supplies	7,237				6,967	270	
731	Contractual Services - Engineering							
732	Contractual Services - Accounting	9,124						
733	Contractual Services - Legal	2,541						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing	9,384	959	5,525				
736	Contractual Services - Other	11,546		2,298		9,248		
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	1,966						
756	Insurance - Vehicle	1,791						
757	Insurance - General Liability	6,772						
758	Insurance - Workmens Comp.	2,136						
759	Insurance - Other	6,312						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense							
775	Miscellaneous Expenses	28,188				1,942		
Total Wastewater Utility Expenses		\$ 428,251	\$ 959	\$ 7,823	\$ 4,659	\$ 18,157	\$ 274,559	\$ 8,975

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

YEAR OF REPORT  
 December 31, 2011

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		44,000				
704	Employee Pensions and Benefits		8,031				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		1,300				
716	Fuel for Power Production						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering						
732	Contractual Services - Accounting		9,124				
733	Contractual Services - Legal		2,541				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing		2,900				
736	Contractual Services - Other						
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense		1,966				
756	Insurance - Vehicle		1,791				
757	Insurance - General Liability		6,772				
758	Insurance - Workmens Comp.		2,136				
759	Insurance - Other		6,312				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		26,246				
Total Wastewater Utility Expenses		\$ -	\$ 113,119	\$ -	\$ -	\$ -	\$ -



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

YEAR OF REPORT  
 December 31, 2011

**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>85,248,000</u>	/ 365 days ) / 280 gpd =	<u>834</u>
		(total gallons treated)		

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

<b>YEAR OF REPORT</b> December 31, 2011
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**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	233,556		
Total Gallons of Wastewater Treated	85,248,000		
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, 2011**

**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?	<u>NA</u>
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, 2011**

(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)	492,830	492,830	-
Total Fire Protection Revenue (462.1 - 462.2)	-	-	-
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	137,579	137,579	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	-	-	-
<b>Total Water Operating Revenue</b>	<b>\$ 630,409</b>	<b>\$ 630,409</b>	<b>\$ -</b>
LESS: Expense for Purchased Water from FPSC-Regulated Utility	-	-	-
<b>Net Water Operating Revenues</b>	<b>\$ 630,409</b>	<b>\$ 630,409</b>	<b>\$ -</b>

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, 2011*

(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)	571,178	571,178	-
Revenues from Public Authorities (523)	-	-	-
Revenues from Other Systems (524)	-	-	-
Interdepartmental Revenues (525)	-	-	-
Total Other Wastewater Revenues (530 - 536)	153	153	-
Reclaimed Water Sales (540.1 - 544)	-	-	-
<b>Total Wastewater Operating Revenue</b>	<b>\$ 571,331</b>	<b>\$ 571,331</b>	<b>\$ -</b>
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	-	-	-
<b>Net Wastewater Operating Revenues</b>	<b>\$ 571,331</b>	<b>\$ 571,331</b>	<b>\$ -</b>

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).