

CLASS "A" OR "B"

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

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ANNUAL REPORT

OF

WS709-06-AR

LAKE PLACID UTILITIES, INC

Exact Legal Name of Respondent

414W 347S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED

31-Dec-06

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

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

YES NO
 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO
 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.


YES NO
 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.

YES NO
 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the 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.

(Signature of Chief Executive Officer of the utility) *

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



 (Signature of Chief Financial Officer of the utility) *

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

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

ANNUAL REPORT OF

YEAR OF REPORT
31-Dec-06

LAKE PLACID UTILITIES, INC

County: **Highland County**

(Exact Name of Utility)

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

2335 SANDERS ROAD
NORTHBROOK IL 60062

Telephone: **847-498-6440**

E Mail Address: **NONE**

WEB Site: **NONE**

Sunshine State One-Call of Florida, Inc. Member Number **LPU487**

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

CHRISTINE KIM
2335 SANDERS ROAD
NORTHBROOK IL 60062

Telephone: **847-498-6440**

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

2335 SANDERS ROAD
NORTHBROOK IL 60062

Telephone: **847-498-6440**

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

PRICEWATERHOUSECOOPERS

Date of original organization of the utility: **1969**

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

Individual Partnership Sub S Corporation 1120 Corporation

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

	Name	Percent Ownership
1.	UTILITIES INC	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

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. Formed in 1969, Lake Placid Utilities, Inc. was acquired by Utilities Inc. in October of 1993.

B. Lake Placid Utilities, Inc. performs water and wastewater services

C. Maintain a high quality of service and earn a fair return.

D. Only one subdivision is served

E. We expect modest growth currently with anticipated higher growth in the future

F. The system was purchased at the end of 1993 and is currently being brought up to Utilities Inc. standards of quality.

PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/2006

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

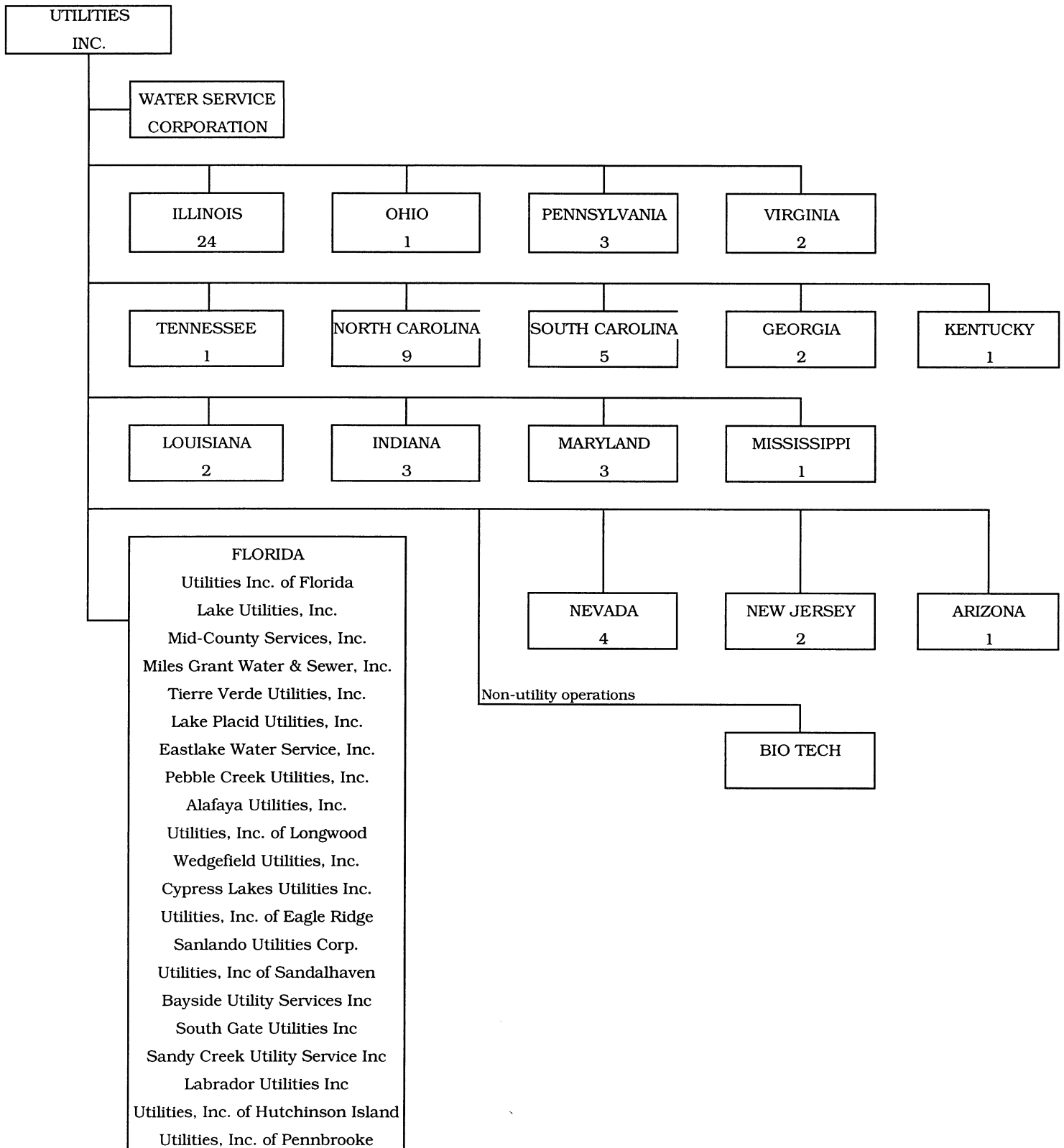
UTILITIES, INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative staff.

SEE ATTACHED

Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
LAWRENCE N SCHUMACHER	CEO & PRESIDENT		\$ NONE
LISA A CROSSETT	VP OPERATIONS		NONE
STEVEN M LUBERTOZZI	VP REGULATORY		NONE
DANIEL J DELGADO	VP & TREASURER		NONE
JOHN R STOVER	VP & SECRETARY		NONE
JOHN HOY	REGIONAL VP		NONE

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
JOHN M STOKES	DIRECTOR	1	\$ NONE
LAWRENCE N SCHUMACHER	DIRECTOR	1	NONE

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or 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)	
NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES.		\$ _____		

* 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.

FINANCIAL SECTION

COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 937,970	\$ 973,134
108-110	Less: Accumulated Depreciation and Amortization	F-8	457,495	470,589
Net Plant			\$ 480,475	\$ 502,545
114-115	Utility Plant Acquisition adjustment (Net)	F-7	-	-
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 480,475	\$ 502,545
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$	\$
123	Investment In Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ -	\$ -
132	Special Deposits	F-9	-	-
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	16,897	14,914
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12	-	-
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments		-	-
171	Accrued Interest and Dividends Receivable		-	
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	-	-
Total Current and Accrued Assets			\$ 16,897	\$ 14,914

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____
182	Extraordinary Property Losses	F-13	_____	_____
183	Preliminary Survey & Investigation Charges		_____	_____
184	Clearing Accounts		_____	_____
185 *	Temporary Facilities		_____	_____
186	Misc. Deferred Debits	F-14	150	64,499
187 *	Research & Development Expenditures		_____	_____
190	Accumulated Deferred Income Taxes		4,806	5,545
Total Deferred Debits			\$ <u>4,956</u>	\$ <u>70,044</u>
TOTAL ASSETS AND OTHER DEBITS			\$ <u><u>502,328</u></u>	\$ <u><u>587,503</u></u>

* 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)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 1,000	\$ 1,000
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		412,252	471,602
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	2,929	1,719
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 416,181	\$ 474,321
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17		
Total Long Term Debt			\$ -	\$ -
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		3,268	362
232	Notes Payable	F-18		
233	Accounts Payable to Associated Companies	F-18	(37,344)	(28,440)
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		1,524	996
236	Accrued Taxes	W/S-3	(2,445)	2,388
237	Accrued Interest	F-19	(10)	(25)
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ (35,007)	\$ (24,719)

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		-	-
Total Deferred Credits			\$ <u> -</u>	\$ <u> -</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ <u> -</u>	\$ <u> -</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ <u> 243,906</u>	\$ <u> 245,256</u>
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	146,801	154,598
Total Net C.I.A.C.			\$ <u> 97,105</u>	\$ <u> 90,658</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ <u> 19,701</u>	\$ <u> 22,219</u>
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		4,348	25,024
Total Accumulated Deferred Income Tax			\$ <u> 24,049</u>	\$ <u> 47,243</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u> 502,328</u>	\$ <u> 587,503</u>

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 115,535	\$ 113,008
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 115,535	\$ 113,008
401	Operating Expenses	F-3(b)	\$ 70,652	\$ 64,192
403	Depreciation Expense:	F-3(b)	\$ 29,632	\$ 28,023
	Less: Amortization of CIAC	F-22	(7,716)	(7,798)
Net Depreciation Expense			\$ 21,916	\$ 20,225
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	-	-
407	Amortization Expense (Other than CIAC)	F-3(b)	647	31
408	Taxes Other Than Income	W/S-3	8,657	15,594
409	Current Income Taxes	W/S-3	34	(23,062)
410.10	Deferred Federal Income Taxes	W/S-3	(693)	19,221
410.11	Deferred State Income Taxes	W/S-3	(121)	3,234
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	-	(7)
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			\$ 101,092	\$ 99,428
Net Utility Operating Income			\$ 14,443	\$ 13,580
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction		1,141	2,077
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 15,584	\$ 15,657

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 44,093	\$ 68,915	\$ -
\$ 44,093	\$ 68,915	\$ -
\$ 15,075	\$ 49,117	\$ -
12,031 <u>(3,152)</u>	15,992 <u>(4,646)</u>	-
\$ 8,879	\$ 11,346	\$ -
-	-	-
-	31	-
6,115	9,479	-
86,118	(109,180)	-
(71,775)	90,996	-
(12,076)	15,310	-
(3)	(4)	-
-	-	-
-	-	-
\$ 32,333	\$ 67,095	\$ -
\$ 11,760	\$ 1,820	\$ -
-	-	-
-	-	-
-	-	-
1,141	936	-
\$ 12,901	\$ 2,756	\$ -

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

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 15,584	\$ 15,657
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		(37)	(48)
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		-	-
Total Other Income and Deductions			\$ (37)	\$ (48)
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	\$ 14,222	\$ 16,819
428	Amortization of Debt Discount & Expense	F-13	_____	_____
429	Amortization of Premium on Debt	F-13	_____	_____
Total Interest Expense			\$ 14,222	\$ 16,819
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.30	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ -	\$ -
NET INCOME			<u>\$ 1,325</u>	<u>\$ (1,210)</u>

Explain Extraordinary Income:

NONE

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	\$ 380,528	\$ 592,606
	Less: Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	125,750	335,803
110	Accumulated Amortization	F-8	4,428	4,608
271	Contributions In Aid of Construction	F-22	89,973	155,283
252	Advances for Construction	F-20		
Subtotal			\$ 160,377	\$ 96,912
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	44,423	110,176
Subtotal			\$ 204,800	\$ 207,088
114	Plus or Minus: Acquisition Adjustments (2)	F-7	-	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-	-
	Working Capital Allowance (3)		1,884	6,140
	Other (Specify): _____ _____ _____			
RATE BASE			\$ 206,684	\$ 213,228
NET UTILITY OPERATING INCOME			\$ 11,760	\$ 1,820
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			5.69%	0.85%

NOTES :

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

**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	\$ 151,513	36.08%	11.56%	4.17%
Preferred Stock	-	0.00%	0.00%	0.00%
Long Term Debt	225,705	53.75%	6.81%	3.66%
Customer Deposits	996	0.24%	6.00%	0.01%
Tax Credits - Zero Cost	-	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
Deferred Income Taxes	41,698	9.93%	0.00%	0.00%
Other (Explain) Short Term Debt	-	0.00%	0.00%	0.00%
Total	\$ 419,912	100.00%		7.84%

(1) If the utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>11.56%</u>
Commission order approving Return on Equity:	<u>PSC-96-0910-FOF-WS</u>

APPROVED AFUDC RATE
COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u>9.03%</u>
Commission order approving AFUDC rate:	<u>PSC-04-0262-PAA-WS</u>

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

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 380,528	\$ 592,606	\$ _____	\$ 973,134
102	Utility Plant Leased to Other	_____	_____	_____	-
103	Property Held for Future Use	_____	_____	_____	-
104	Utility Plant Purchased or Sold	_____	_____	_____	-
105	Construction Work in Progress	-	-	_____	-
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ 380,528	\$ 592,606	\$ -	\$ 973,134

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

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment NONE	\$ -	\$ -	\$ -	\$ -
		_____	_____	_____	-
		-	-	_____	-
		_____	_____	_____	-
		_____	_____	_____	-
	Total Plant Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization Accruals charged during year	\$ -	\$ -	\$ _____	\$ -
		_____	_____	_____	-
		_____	_____	_____	-
		_____	_____	_____	-
	Total Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
	Net Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 128,248	\$ 320,242	\$ -	\$ 448,490
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 12,031	\$ 15,992	\$ -	\$ 28,023
Account 108.2 (2)	-	-	-	-
Account 108.3 (2)	-	-	-	-
Other Accounts (specify): alloc from parent company UIF	(14,529)	-	-	(14,529)
Salvage	-	-	-	-
Other Credits (Specify):	-	-	-	-
Total Credits	\$ (2,498)	\$ 15,992	\$ -	\$ 13,494
Debits during year:				
Book cost of plant retired	-	431	-	431
Cost of Removal	-	-	-	-
Other Debits (specify):	-	-	-	-
Total Debits	\$ -	\$ 431	\$ -	\$ 431
Balance end of year	\$ <u>125,750</u>	\$ <u>335,803</u>	\$ <u>-</u>	\$ <u>461,553</u>
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ 4,428	\$ 4,577	\$ -	\$ 9,005
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$ -	\$ 31	\$ -	\$ 31
Other Accounts (specify):	-	-	-	-
Total credits	\$ -	\$ 31	\$ -	\$ 31
Debits during year:				
Book cost of plant retired	-	-	-	-
Other debits (specify):	-	-	-	-
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ <u>4,428</u>	\$ <u>4,608</u>	\$ <u>-</u>	\$ <u>9,036</u>

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

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

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

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): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): NONE <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
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 Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)	TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):	
Water	\$ 6,437
Wastewater	8,477
Other	
Total Customer Accounts Receivable	\$ 14,914
OTHER ACCOUNTS RECEIVABLE (Account 142):	
_____	\$ _____
_____	_____
_____	_____
Total Other Accounts Receivable	\$ -
NOTES RECEIVABLE (Account 144):	
_____	\$ _____
_____	_____
_____	_____
Total Notes Receivable	\$ -
Total Accounts and Notes Receivable	\$ 14,914
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)	
Balance first of year	\$ -
Add: Provision for uncollectibles for current year	\$ _____
Collection of accounts previously written off	_____
Utility Accounts	_____
Others	_____
_____	_____
Total Additions	\$ -
Deduct accounts written off during year:	
Utility Accounts	_____
Others	_____
_____	_____
Total accounts written off	\$ -
Balance end of year	\$ _____
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET	\$ 14,914

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)	BALANCE END OF YEAR (b)
NONE	\$ _____
_____	_____
_____	_____
_____	_____
Total Miscellaneous Current and Accrued Liabilities	\$ _____

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): NONE	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____
UNAMORTIZED PREMIUM ON DEBT (Account 251):	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
NONE	\$ _____
_____	_____
_____	_____
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)		
RATE CASE	\$ -	\$ 61,588
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ -	\$ 61,588
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
OTHER DEFERRED MAINTENANCE	\$ -	\$ 2,911
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ -	\$ 2,911
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
NONE	\$ -	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ -	\$ 64,499

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	_____ %	\$ _____ 1
Shares authorized		_____ -
Shares issued and outstanding		_____ 1,000
Total par value of stock issued	_____ %	\$ _____ 1,000
Dividends declared per share for year	_____ %	\$ _____ -
PREFERRED STOCK		
Par or stated value per share	_____ %	\$ _____ -
Shares authorized		_____ -
Shares issued and outstanding		_____ -
Total par value of stock issued	_____ %	\$ _____ -
Dividends declared per share for year	_____ %	\$ _____ -

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NONE	_____ %	_____	\$ _____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
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	\$ 2,929
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	\$ (1,210)
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ <u>1,719</u>
Notes to Statement of Retained Earnings:		

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

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

**OTHER LONG-TERM DEBT
ACCOUNT 224**

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)	
NONE	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION INCLUDING DATE OF ISSUE AND DATE OF MATURITY (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232): NONE	%		\$ _____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
Total Account 232			\$ <u>_____</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): NONE	%		\$ _____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
_____	%		_____
Total Account 234			\$ <u>_____</u>

* 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)
WATER SERVICE CORPORATION	\$ 28,440
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ <u>28,440</u>

UTILITY NAME LAKE PLACID UTILITIES, INC

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

DESCRIPTION OF DEBIT (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	\$ _____		\$ _____	\$ _____	\$ _____
UTILITIES INC INTERCOMPANY INTEREST	-		16,819	16,819	-
Total Account 237.1	\$ _____		\$ 16,819	\$ 16,819	\$ _____
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	\$ 10	427	15		-
MISC ITEMS					25
Total Account 237.2	\$ 10		\$ 15	-	25
Total Account 237 (1)	\$ 10		\$ 16,834	\$ 16,819	\$ 25
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 16,819		
Less Capitalized Interest Portion of AFUDC:			-		
Net Interest Expensed to Account No. 427 (2)			\$ 16,819		

(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

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
NONE _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Miscellaneous Current and Accrued Liabilities	\$ _____ _____

ADVANCES FOR CONSTRUCTION
ACCOUNT 252

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

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

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):		
NONE	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>89,440</u>	\$ <u>154,466</u>	\$ <u>-</u>	\$ <u>243,906</u>
Add credits during year:	\$ <u>533</u>	\$ <u>817</u>	\$ <u>-</u>	\$ <u>1,350</u>
Less debit charged during the year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Contribution In Aid of Construction	\$ <u><u>89,973</u></u>	\$ <u><u>155,283</u></u>	\$ <u><u>-</u></u>	\$ <u><u>245,256</u></u>

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

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>41,271</u>	\$ <u>105,530</u>	\$ <u>-</u>	\$ <u>146,801</u>
Debits during the year:	\$ <u>3,151</u>	\$ <u>4,646</u>	\$ <u>-</u>	\$ <u>7,797</u>
Credits during the year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u><u>44,422</u></u>	\$ <u><u>110,176</u></u>	\$ <u><u>-</u></u>	\$ <u><u>154,598</u></u>

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

- The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ <u>(1,210)</u>
Reconciling items for the year:		
Taxable income not reported on books:		
Tap Fees		1,350
Deductions recorded on books not deducted for return:		
Net Change - Deferred Maintenance		(2,911)
Net Change - Rate Case		(61,440)
Excess Tax Depreciation over Book Depreciation		(52)
Current FIT		(23,007)
Deferred FIT		19,221
Deferred SIT		3,234
Income recorded on books not included in return:		
Interest During Construction		(2,300)
Deduction on return not charged against book income:		
Other miscellaneous		(53)
Federal tax net income		\$ <u><u>(67,668)</u></u>

Computation of tax :

(67,668)
<u>34%</u>
(23,007)

**WATER
OPERATION
SECTION**

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 380,528
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	125,750
110	Accumulated Amortization	F-8	4,428
271	Contributions In Aid of Construction	W-7	89,973
252	Advances for Construction	F-20	-
Subtotal			\$ 160,377
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 44,423
Subtotal			\$ 204,800
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-
	Working Capital Allowance (3)		1,884
	Other (Specify):		
WATER RATE BASE			\$ 206,684
WATER OPERATING INCOME		W-3	\$ 11,760
RN (Water Operating Income / Water Rate Base)			5.69%

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

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

(3) Calculation consistent with last rate proceeding.

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 44,093
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		\$ _____
401	Operating Expenses	W-10(a)	\$ 15,075
403	Depreciation Expense	W-6(a)	12,031
	Less: Amortization of CIAC	W-8(a)	(3,152)
	Net Depreciation Expense		\$ 8,879
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		3,277
408.11	Property Taxes		2,527
408.12	Payroll Taxes		311
408.13	Other Taxes and Licenses		-
408	Total Taxes Other Than Income		\$ 6,115
409.1	Income Taxes		86,118
410.10	Deferred Federal Income Taxes		(71,775)
410.11	Deferred State Income Taxes		(12,076)
411.10	Provision for Deferred Income Taxes - Credit		(3)
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 32,333
	Utility Operating Income		\$ 11,760
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		1,141
	Total Utility Operating Income		\$ 12,901

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 12,374	\$ -	\$ -	\$ 12,374
302	Franchises	1,250	-	-	1,250
303	Land and Land Rights	2,707	-	-	2,707
304	Structures and Improvements	46,223	1,215	-	47,438
305	Collecting and Impounding Reservoirs	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-
307	Wells and Springs	21,265	812	-	22,077
308	Infiltration Galleries and Tunnels	-	-	-	-
309	Supply Mains	-	-	-	-
310	Power Generation Equipment	-	-	-	-
311	Pumping Equipment	78,427	771	-	79,198
320	Water Treatment Equipment	10,049	59,645	-	69,694
330	Distribution Reservoirs and Standpipes	28,223	188	-	28,411
331	Transmission and Distribution Mains	49,803	1,938	-	51,741
333	Services	27,905	63	-	27,968
334	Meters and Meter Installations	17,271	437	-	17,708
335	Hydrants	1,314	-	-	1,314
336	Backflow Prevention Devices	-	-	-	-
339	Other Plant Miscellaneous Equipment	-	-	-	-
340	Office Furniture and Equipment	-	-	-	-
341	Transportation Equipment	-	-	-	-
342	Stores Equipment	-	-	-	-
343	Tools, Shop and Garage Equipment	1,126	587	-	1,713
344	Laboratory Equipment	361	-	-	361
345	Power Operated Equipment	-	-	-	-
346	Communication Equipment	553	-	-	553
347	Miscellaneous Equipment	-	-	-	-
348	Other Tangible Plant	33,403	(17,382)	-	16,021
TOTAL WATER PLANT		\$ 332,254	\$ 48,274	\$ -	\$ 380,528

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 INTANGIBLE PLANT	.2 SOURCE OF SUPPLY AND PUMPING PLANT	.3 WATER TREATMENT PLANT	.4 TRANSMISSION AND DISTRIBUTION PLANT	.5 GENERAL PLANT
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	\$ 12,374	\$ 12,374				
302	Franchises	1,250	1,250				
303	Land and Land Rights	2,707		2,707			
304	Structures and Improvements	47,438		47,438			
305	Collecting and Impounding Reservoirs	-					
306	Lake, River and Other Intakes	-					
307	Wells and Springs	22,077		22,077			
308	Infiltration Galleries and Tunnels	-					
309	Supply Mains	-					
310	Power Generation Equipment	-					
311	Pumping Equipment	79,198		79,198			
320	Water Treatment Equipment	69,694			69,694		
330	Distribution Reservoirs and Standpipes	28,411				28,411	
331	Transmission and Distribution Mains	51,741				51,741	
333	Services	27,968				27,968	
334	Meters and Meter Installations	17,708				17,708	
335	Hydrants	1,314				1,314	
336	Backflow Prevention Devices	-					
339	Other Plant Miscellaneous Equipment	-					
340	Office Furniture and Equipment	-					
341	Transportation Equipment	-					
342	Stores Equipment	-					
343	Tools, Shop and Garage Equipment	1,713					1,713
344	Laboratory Equipment	361					361
345	Power Operated Equipment	-					
346	Communication Equipment	553					553
347	Miscellaneous Equipment	-					
348	Other Tangible Plant	16,021					16,021
TOTAL WATER PLANT		\$ 380,528	\$ 13,624	\$ 151,420	\$ 69,694	\$ 127,142	\$ 18,648

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

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)
304	Structures and Improvements			3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs			3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment			5.00%
320	Water Treatment Equipment			4.55%
330	Distribution Reservoirs and Standpipes			2.70%
331	Transmission and Distribution Mains			2.33%
333	Services			2.50%
334	Meters and Meter Installations			5.00%
335	Hydrants			2.22%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			6.25%
344	Laboratory Equipment			6.67%
345	Power Operated Equipment			
346	Communication Equipment			10.00%
347	Miscellaneous Equipment			
348	Other Tangible Plant			10.00%
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.

YEAR OF REPORT
31-Dec-06

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 14,033	\$ 1,459	\$ (1)	\$ 1,458
305	Collecting and Impounding Reservoirs			-	-
306	Lake, River and Other Intakes			-	-
307	Wells and Springs	11,591	717	1	718
308	Infiltration Galleries and Tunnels			-	-
309	Supply Mains			-	-
310	Power Generation Equipment			-	-
311	Pumping Equipment	32,187	3,941	-	3,941
320	Water Treatment Equipment	4,150	1,138	-	1,138
330	Distribution Reservoirs and Standpipes	8,239	764	-	764
331	Transmission and Distribution Mains	13,582	1,182	(546)	636
333	Services	9,088	698	-	698
334	Meters and Meter Installations	10,237	863	-	863
335	Hydrants	474	29	-	29
336	Backflow Prevention Devices			-	-
339	Other Plant Miscellaneous Equipment			-	-
340	Office Furniture and Equipment	-		-	-
341	Transportation Equipment	-		-	-
342	Stores Equipment			-	-
343	Tools, Shop and Garage Equipment	456	133	(51)	82
344	Laboratory Equipment	265	25	(1)	24
345	Power Operated Equipment			-	-
346	Communication Equipment	553	24	(24)	-
347	Miscellaneous Equipment			-	-
348	Other Tangible Plant	23,393	1,058	(13,907)	(12,849)
TOTAL WATER ACCUMULATED DEPRECIATION \$		\$ 128,248	\$ 12,031	\$ (14,529)	\$ (2,498)

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

OTHER CREDITS column (E) * are due to allocation of UJF plant

W-6(a)
GROUP _____

YEAR OF REPORT
31-Dec-06

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

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

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED	SALVAGE AND INSURANCE	COST OF REMOVAL AND OTHER CHARGES	TOTAL CHARGES	BALANCE AT END OF YEAR
(a)	(b)	(g)	(h)	(i)	(j)	(k)
304	Structures and Improvements	-	\$	\$	\$	15,491
305	Collecting and Impounding Reservoirs	-				
306	Lake, River and Other Intakes	-				
307	Wells and Springs	-				12,309
308	Infiltration Galleries and Tunnels	-				
309	Supply Mains	-				
310	Power Generation Equipment	-				
311	Pumping Equipment	-				
320	Water Treatment Equipment	-				36,128
330	Distribution Reservoirs and Standpipes	-				5,288
331	Transmission and Distribution Mains	-				9,003
333	Services	-				14,218
334	Meters and Meter Installations	-				9,786
335	Hydrants	-				11,100
336	Backflow Prevention Devices	-				503
339	Other Plant Miscellaneous Equipment	-				
340	Office Furniture and Equipment	-				
341	Transportation Equipment	-				
342	Stores Equipment	-				
343	Tools, Shop and Garage Equipment	-				538
344	Laboratory Equipment	-				289
345	Power Operated Equipment	-				
346	Communication Equipment	-				553
347	Miscellaneous Equipment	-				
348	Other Tangible Plant	-				10,544
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 125,750

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT
31-Dec-06

SYSTEM NAME / COUNTY Highland County

WATER CIAC SCHEDULE "B"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
NONE		\$ -
Total Credits		\$ -

Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

(A)	(B)	(C)	(D)
Accounts	Gross Water Revenues per Sch W-9	Gross Water Revenues per RAF Return	Difference (B)-(C)
Gross Revenues:			-
Unmetered Water Revenues			-
Total Metered Sales	44,093	44,093	-
Total Fire Protection Revenue			-
Other Sales to Public Authorities			-
Sales to Irrigation Customers			-
Sales for Resale			-
Interdepartmental Sales			-
Total Other Water Revenue			-
Total Water Operating Revenue	44,093	44,093	-
Less: Expense for Purchased Water from FPSC Regulated Utility			-
Net Water Operating Revenues	44,093	44,093	-

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	125	161	43,802
461.2	Sales to Commercial Customers			
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		125	161	\$ 43,802
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			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		125	161	\$ 43,802
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFP)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			291
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 291
Total Water Operating Revenues				\$ 44,093

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

<p>YEAR OF REPORT 31-Dec-06</p>

SYSTEM NAME / COUNTY Highland County

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	\$ (4,893)	\$ (1,076)	\$ (294)
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	532	117	32
610	Purchased Water			
615	Purchased Power	3,223		
616	Fuel for Power Purchased			
618	Chemicals	1,977	1,977	
620	Materials and Supplies	9,968	3,987	997
631	Contractual Services-Engineering			
632	Contractual Services - Accounting	726		
633	Contractual Services - Legal	9		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Testing			
636	Contractual Services - Other	306		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	152	33	9
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workman's Comp.			
659	Insurance - Other	489	108	29
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	184		
667	Regulatory Commission Exp.-Other			
668	Water Resource Conservation Exp.			
670	Bad Debt Expense	929		
675	Miscellaneous Expenses	1,473		
Total Water Utility Expenses		\$ <u>15,075</u>	\$ <u>5,146</u>	\$ <u>773</u>

UTILITY NAME:

LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY :

Highland County

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)
\$ <u>-1,076</u>	\$ <u>(294)</u>	\$ <u>(1,713)</u>	\$ <u>(440)</u>	\$ _____	\$ _____
<u>117</u>	<u>32</u>	<u>186</u>	<u>48</u>	_____	_____
<u>3,223</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	<u>4,187</u>	<u>797</u>	_____	_____
_____	_____	<u>0</u>	_____	_____	<u>726</u>
_____	_____	_____	_____	_____	<u>9</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	<u>153</u>	<u>153</u>
<u>33</u>	<u>9</u>	<u>53</u>	<u>15</u>	_____	_____
_____	_____	_____	_____	_____	_____
<u>108</u>	<u>29</u>	<u>171</u>	<u>44</u>	_____	_____
_____	_____	_____	_____	_____	<u>184</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	<u>929</u>	_____
_____	_____	_____	_____	<u>737</u>	<u>736</u>
\$ <u>2,405</u>	\$ <u>-224</u>	\$ <u>2,884</u>	\$ <u>464</u>	\$ <u>1,819</u>	\$ <u>1,808</u>

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY SUN 'N LAKES OF LAKE PLACID / HIGHLANDS

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		0.599	0.000	0.599	0.904
February		0.899	0.000	0.899	0.909
March		0.987	0.000	0.978	0.618
April		0.741	0.000	0.741	0.497
May		0.649	0.000	0.649	0.411
June		0.513	0.001	0.512	0.336
July		0.559	0.000	0.559	0.313
August		0.672	0.000	0.672	0.464
September		0.585	0.000	0.585	0.315
October		0.678	0.000	0.678	0.408
November		0.724	0.000	0.724	0.606
		0.804	0.000	0.804	0.479
for Year		8.410	0.001	8.400	6.260

If water is purchased for resale, indicate the following:
 Vendor NONE
 Point of delivery NONE

If water is sold to other water utilities for redistribution, list names of such utilities below:
NONE

each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
WELL #1	200GPM	288,000	GROUNDWATER
WELL #2	200GPM	288,000	GROUNDWATER

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT
31-Dec-06

SYSTEM NAME / COUNTY SUN 'N LAKES OF LAKE PLACID / HIGHLANDS

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>0.288 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>Chlorination</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</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>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE PLACID UTILITIES, INC

<p>YEAR OF REPORT 31-Dec-06</p>

SYSTEM NAME / COUNTY :

SUN 'N LAKES OF LAKE PLACID / HIGHLANDS

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

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	111	111
3/4"	Displacement	1.5		0
1"	Displacement	2.5	2	5
1 1/2"	Displacement or Turbine	5.0		0
2"	Displacement, Compound or Turbine	8.0		0
3"	Displacement	15.0		0
3"	Compound	16.0		0
3"	Turbine	17.5		0
4"	Displacement or Compound	25.0	2	50
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				166

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

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

<p>ERC Calculation:</p>

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT
31-Dec-06

SYSTEM NAME / COUNTY SUN 'N LAKES OF LAKE PLACID / HIGHLANDS

OTHER WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. 823
2. Maximum number of ERCs * which can be served. 823
3. Present system connection capacity (in ERCs *) using existing lines. 823
4. Future connection capacity (in ERCs *) upon service area buildout. 823
5. Estimated annual increase in ERCs *. 1
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500 gpm
7. Attach a description of the fire fighting facilities. One (1) hydrant, hydropneumatic tank and two wells
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
2006 - Replaced hydrotank, valves & piping at WTP. Relocated hotel water meter.
2007 - Replace (2) 4" water meters at Lakeview Towers
9. When did the company last file a capacity analysis report with the DEP? N/A
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.
 - b. Have these plans been approved by DEP? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? N/A
11. Department of Environmental Protection ID # 5280273
12. Water Management District Consumptive Use Permit # N/A
 - a. Is the system in compliance with the requirements of the CUP? N/A
 - b. If not, what are the utility's plans to gain compliance? N/A

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

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY : Highland County

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4A	\$ 592,606
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6B	335,803
110	Accumulated Amortization	F-8	4,608
271	Contributions In Aid of Construction	S-7	155,283
252	Advances for Construction	F-20	-
Subtotal			\$ 96,912
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8A	\$ 110,176
Subtotal			\$ 207,088
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-
	Working Capital Allowance (3)		6,140
	Other (Specify):		
WASTEWATER RATE BASE			\$ 213,228
WASTEWATER OPERATING INCOME		S-3	\$ 1,820
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			0.85%

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

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

(3) Calculation consistent with last rate proceeding.

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9A	\$ 68,915
530	Less: Guaranteed Revenue (and AFPI)	S-9A	
	Net Operating Revenues		\$ 68,915
401	Operating Expenses	S-10A	\$ 49,117
403	Depreciation Expense	S-6A	15,992
	Less: Amortization of CIAC	S-8A	(4,646)
	Net Depreciation Expense		\$ 11,346
406	Amortization of Utility Plant Acquisition Adjustment	F-7	-
407	Amortization Expense (Other than CIAC)	F-8	31
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		5,122
408.11	Property Taxes		3,948
408.12	Payroll Taxes		409
408.13	Other Taxes and Licenses		-
408	Total Taxes Other Than Income		\$ 9,479
409.1	Income Taxes		(109,180)
410.10	Deferred Federal Income Taxes		90,996
410.11	Deferred State Income Taxes		15,310
411.10	Provision for Deferred Income Taxes - Credit		(4)
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 67,095
	Utility Operating Income		\$ 1,820
530	Add Back: Guaranteed Revenue (and AFPI)	S-9A	
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		936
	Total Utility Operating Income		\$ 2,756

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

YEAR OF REPORT
31-Dec-06

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 10,994	\$ -	\$ -	\$ 10,994
352	Franchises	1,250	-	-	1,250
353	Land and Land Rights	21,665	-	-	21,665
354	Structures and Improvements	375,806	-	-	375,806
355	Power Generation Equipment	-	-	-	-
360	Collection Sewers - Force	59,689	63	-	59,752
361	Collection Sewers - Gravity	70,130	1,405	-	71,535
362	Special Collecting Structures	-	-	-	-
363	Services to Customers	-	-	-	-
364	Flow Measuring Devices	-	-	-	-
365	Flow Measuring Installations	-	-	-	-
366	Reuse Services	-	-	-	-
367	Reuse Meters and Meter Installations	-	-	-	-
370	Receiving Wells	-	-	-	-
371	Pumping Equipment	-	-	-	-
374	Reuse Distribution Reservoirs	-	-	-	-
375	Reuse Transmission and Distribution System	-	-	-	-
380	Treatment and Disposal Equipment	41,028	381	431	40,978
381	Plant Sewers	-	-	-	-
382	Outfall Sewer Lines	1,940	-	-	1,940
389	Other Plant Miscellaneous Equipment	-	-	-	-
390	Office Furniture and Equipment	-	-	-	-
391	Transportation Equipment	-	-	-	-
392	Stores Equipment	-	-	-	-
393	Tools, Shop and Garage Equipment	-	-	-	-
394	Laboratory Equipment	-	-	-	-
395	Power Operated Equipment	-	-	-	-
396	Communication Equipment	-	-	-	-
397	Miscellaneous Equipment	579	-	-	579
398	Other Tangible Plant	8,107	-	-	8,107
Total Wastewater Plant		\$ 591,188	\$ 1,849	\$ 431	\$ 592,606

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
351	Organization	\$ 10,994						
352	Franchises	1,250						
353	Land and Land Rights		21,665					
354	Structures and Improvements		375,806					
355	Power Generation Equipment		-					
360	Collection Sewers - Force		59,752					
361	Collection Sewers - Gravity		71,535					
362	Special Collecting Structures		-					
363	Services to Customers		-					
364	Flow Measuring Devices		-					
365	Flow Measuring Installations		-					
366	Reuse Services		-					
367	Reuse Meters and Meter Installations		-					
370	Receiving Wells							
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				40,978			
381	Plant Sewers				-			
382	Outfall Sewer Lines				1,940			
389	Other Plant Miscellaneous Equipment							
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							579
398	Other Tangible Plant							8,107
	Total Wastewater Plant	\$ 12,244	\$ 528,758	\$ -	\$ 42,918	\$ -	\$ -	\$ 8,686

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY : Highland County

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements			3.13%
355	Power Generation Equipment			
360	Collection Sewers - Force			3.33%
361	Collection Sewers - Gravity			2.22%
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells			
371	Pumping Equipment			
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment			5.56%
381	Plant Sewers			
382	Outfall Sewer Lines			3.33%
389	Other Plant Miscellaneous Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equipment			
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			6.67%
398	Other Tangible Plant			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.

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 211,878	\$ 12,060	\$ 1	\$ 12,061
355	Power Generation Equipment			-	-
360	Collection Sewers - Force	56,944	597	(1)	596
361	Collection Sewers - Gravity	29,766	1,608	-	1,608
362	Special Collecting Structures			-	-
363	Services to Customers			-	-
364	Flow Measuring Devices			-	-
365	Flow Measuring Installations			-	-
366	Reuse Services			-	-
367	Reuse Meters and Meter Installations			-	-
370	Receiving Wells		1	(625)	(624)
371	Pumping Equipment			-	-
375	Reuse Transmission and Distribution System			-	-
380	Treatment and Disposal Equipment	10,912	1,726	-	2,351
381	Plant Sewers			-	-
382	Outfall Sewer Lines	2,003		-	
389	Other Plant Miscellaneous Equipment			-	-
390	Office Furniture and Equipment			-	-
391	Transportation Equipment			-	-
392	Stores Equipment			-	-
393	Tools, Shop and Garage Equipment	53		-	
394	Laboratory Equipment			-	-
395	Power Operated Equipment			-	-
396	Communication Equipment			-	-
397	Miscellaneous Equipment			-	-
398	Other Tangible Plant	8,686		-	
Total Depreciable Wastewater Plant in Service		\$ 320,242	\$ 15,992	\$ -	\$ 15,992

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

OTHER CREDITS column (E) * are due to allocation of UIF plant

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY : Highland County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	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-j) (k)
(a)	(b)					
354	Structures and Improvements	\$ -	\$ -	\$ -	\$ -	\$ 223,939
355	Power Generation Equipment	-	-	-	-	-
360	Collection Sewers - Force	-	-	-	-	57,540
361	Collection Sewers - Gravity	-	-	-	-	31,374
362	Special Collecting Structures	-	-	-	-	-
363	Services to Customers	-	-	-	-	-
364	Flow Measuring Devices	-	-	-	-	-
365	Flow Measuring Installations	-	-	-	-	-
366	Reuse Services	-	-	-	-	-
367	Reuse Meters and Meter Installations	-	-	-	-	-
370	Receiving Wells	-	-	-	-	(624)
371	Pumping Equipment	-	-	-	-	-
375	Reuse Transmission and Distribution System	-	-	-	-	-
380	Treatment and Disposal Equipment	431	-	-	431	12,832
381	Plant Sewers	-	-	-	-	-
382	Outfall Sewer Lines	-	-	-	-	2,003
389	Other Plant Miscellaneous Equipment	-	-	-	-	-
390	Office Furniture and Equipment	-	-	-	-	-
391	Transportation Equipment	-	-	-	-	-
392	Stores Equipment	-	-	-	-	-
393	Tools, Shop and Garage Equipment	-	-	-	-	53
394	Laboratory Equipment	-	-	-	-	-
395	Power Operated Equipment	-	-	-	-	-
396	Communication Equipment	-	-	-	-	-
397	Miscellaneous Equipment	-	-	-	-	-
398	Other Tangible Plant	-	-	-	-	8,686
Total Depreciable Wastewater Plant in Service		\$ 431	\$ -	\$ -	\$ 431	\$ 335,803

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

WASTEWATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
SEWER CONNECTIONS FEES	1	\$ 817	\$ 817
_____	_____	_____	-
_____	_____	_____	-
_____	_____	_____	-
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ <u>817</u>

**ACCUMULATED AMORTIZATION OF WASTEWATER
 CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 105,530
Debits during the year:	
Accruals charged to Account 272	\$ 4,646
Other debits (specify) :	_____
_____	_____
Total debits	\$ 4,646
Credits during the year (specify) :	
_____	\$ _____
_____	_____
Total credits	\$ -
Balance end of year	\$ <u>110,176</u>

Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations

UTILITY NAME: LAKE PLACID UTILITIES, INC

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	(A)	(B)	(C)	(D)
Accounts		Gross Wastewater Revenues per Sch S-9	Gross Wastewater Revenues per RAF Return	Difference (B)-(C)
Gross Revenues:				-
Total Flat-Rate Revenues				-
Total Measured Revenues		68,915	68,915	-
Revenues from Public Authorities				-
Revenues from Other Systems				-
Interdepartmental Revenues				-
Total Other Wastewater Revenues				-
Reclaimed Water Sales				-
Total Wastewater Operating Revenue		68,915	68,915	-
Less: Expense for Purchased Wastewater from FPSC Regulated Utility				-
Net Wastewater Operating Revenues		68,915	68,915	-

UTILITY NAME: LAKE PLACID UTILITIES, INC

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SYSTEM NAME / COUNTY Highland County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues	194	212	\$ 68,461
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	194	212	\$ 68,461
522.1	Measured Revenues: Residential Revenues			
522.2	Commercial Revenues			
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			
522	Total Measured Revenues			\$
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
Total Wastewater Sales		194	212	\$ 68,461
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			454
Total Other Wastewater Revenues				\$ 454

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

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY Highland County

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues	_____	_____	\$ _____
540.2	Commercial Reuse Revenues	_____	_____	_____
540.3	Industrial Reuse Revenues	_____	_____	_____
540.4	Reuse Revenues From Public Authorities	_____	_____	_____
540.5	Other Revenues	_____	_____	_____
540	Total Flat Rate Reuse Revenues	_____	_____	\$ _____
541.1	Measured Reuse Revenues: Residential Reuse Revenues	_____	_____	_____
541.2	Commercial Reuse Revenues	_____	_____	_____
541.3	Industrial Reuse Revenues	_____	_____	_____
541.4	Reuse Revenues From Public Authorities	_____	_____	_____
541	Total Measured Reuse Revenues	_____	_____	\$ _____
544	Reuse Revenues From Other Systems	_____	_____	_____
Total Reclaimed Water Sales				\$ _____
Total Wastewater Operating Revenues				\$ <u>68,915</u>

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

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UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY Highland County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION 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	\$ (6,127)	\$ (184)	\$ (735)	\$ (1,225)	\$ (306)	\$ (2,941)	\$ (736)
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits	832	25	58	100	42	250	98
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	2,220					2,220	
715	Purchased Power	4,188			1,047		3,141	
716	Fuel for Power Purchased							
718	Chemicals	3,091					3,091	
720	Materials and Supplies	38,282	1,531	6,125	9,188	2,297	15,313	3,828
731	Contractual Services-Engineering	-						
732	Contractual Services - Accounting	1,133						
733	Contractual Services - Legal	13						
734	Contractual Services - Mgt. Fees	-						
735	Contractual Services - Testing							
736	Contractual Services - Other	478						
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expenses	239	7	29	48	12	115	28
756	Insurance - Vehicle							
757	Insurance - General Liability							
758	Insurance - Workman's Comp.							
759	Insurance - Other	765						
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	243						
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense	1,453						
775	Miscellaneous Expenses	2,307						
Total Wastewater Utility Expenses		\$ 49,117	\$ 1,379	\$ 5,477	\$ 9,158	\$ 2,045	\$ 21,189	\$ 3,218

UTILITY NAME: LAKE PLACID UTILITIES, INC

SYSTEM NAME / COUNTY : Highland County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	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						
704	Employee Pensions and Benefits	259					
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services-Engineering		0				
732	Contractual Services - Accounting		1,133				
733	Contractual Services - Legal		13				
734	Contractual Services - Mgt. Fees		0				
735	Contractual Services - Testing		0				
736	Contractual Services - Other	239	239				
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expenses						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workman's Comp.						
759	Insurance - Other		765				
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense		243				
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense	1,453					
775	Miscellaneous Expenses	1,154	1,153				
Total Wastewater Utility Expenses		\$ 3,105	\$ 3,546	\$ -	\$ -	\$ -	\$ -

UTILITY NAME:

LAKE PLACID UTILITIES, INC

YEAR OF REPORT
31-Dec-06

SYSTEM NAME / COUNTY :

SUN 'N LAKES OF LAKE PLACID / HIGHLANDS

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	_____	_____
3/4"	Displacement	1.5	_____	_____
1"	Displacement	2.5	_____	_____
1 1/2"	Displacement or Turbine	5.0	_____	_____
2"	Displacement, Compound or Turbine	8.0	_____	_____
3"	Displacement	15.0	_____	_____
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				=====

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

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

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

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

For wastewater only utilities:

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

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

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

ERC Calculation:

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT 31-Dec-06

SYSTEM NAME / COUNTY SUN 'N LAKES OF LAKE PLACID/HIGHLANDS

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.090 mgd		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Marolf		
Type (2)	Ext. Aeration		
Hydraulic Capacity	0.100 mgd		
Average Daily Flow	0.012 mgd		
Total Gallons of Wastewater Treated	4.403 mgd		
Method of Effluent Disposal	Perc Ponds		

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

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: LAKE PLACID UTILITIES, INC

YEAR OF REPORT
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SYSTEM NAME / COUNTY SUN 'N LAKES OF LAKE PLACID/HIGHLANDS

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served 83

2. Maximum number of ERCs* which can be served 321

3. Present system connection capacity (in ERCs*) using existing lines 83

4. Future connection capacity (in ERCs*) upon service area buildout 321

5. Estimated annual increase in ERCs* 1

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. None

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No

If so, when? N/A

9. Has the utility been required by the DEP or water management district to implement reuse? No

If so, what are the utility's plans to comply with this requirement? N/A

10. When did the company last file a capacity analysis report with the DEP? 2005

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? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? No

12. Department of Environmental Protection ID # FLA014386

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