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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WU030-06-AR
C. S. Water Company, Inc.
P. O. Box 40
Crystal Springs, FL 33524-0040

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL SECTION

REPORT OF

C.S. WATER COMPANY, INC.
(EXACT NAME OF UTILITY)

P.O. BOX - 40 CRYSTAL SPRINGS, FL 33524	1311 MACAW STREET CRYSTAL SPRINGS, FL 33524 PASCO
Mailing Address	Street Address County

Telephone Number 813-783-2984 Date Utility First Organized 10/29/1974
 Fax Number _____ E-Mail Address _____

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

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: 1311 MACAW STREET
CRYSTAL SPRINGS, FL 33524 813-783-2984

Name of subdivisions where services are provided: CRYSTAL SPRINGS, FL

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: CLYDE A BISTON	PRESIDENT	P. O. BOX - 40 CRYSTAL SPRINGS, FL 33524	
Person who prepared this report: JUDSON B. BAGGETT	CPA	6815 DAIRY RD ZEPHYRHILLS, FL 33540	
Officers and Managers: CLYDE BISTON	PRESIDENT	PO BOX -40 CRYSTAL SPRINGS, FL 33524	\$ 5,000
JUDITH BISTON	VICE PRESIDENT/ SECRETARY	PO BOX -40 CRYSTAL SPRINGS, FL 33524	\$ 20,800

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
CLYDE A BISTON	50%	SAME AS ABOVE	\$ 5,000
JUDITH BISTON	50%	SAME AS ABOVE	\$ 20,800
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 66,716	\$ _____	\$ _____	\$ 66,716
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Connection Fees		_____	_____	_____	_____
CIAC		_____	_____	_____	_____
Meters		_____	_____	_____	_____
Total Gross Revenue___		\$ 66,716	\$ _____	\$ _____	\$ 66,716
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 65,012	\$ _____	\$ _____	\$ 65,012
Depreciation Expense____	F-5	4,484	_____	_____	4,484
CIAC Amortization Expense__	F-8	(1,957)	_____	_____	(1,957)
Taxes Other Than Income__	F-7	7,044	_____	_____	7,044
Income Taxes_____	F-7	----	_____	_____	----
Total Operating Expense		\$ 74,583	_____	_____	\$ 74,583
Net Operating Income (Loss)		\$ (7,867)	\$ _____	\$ _____	\$ (7,867)
Other Income:					
Nonutility Income_____		\$ 34	\$ _____	\$ _____	\$ 34
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		1,040	_____	_____	1,040
Net Income (Loss)		\$ (8,873)	\$ _____	\$ _____	\$ (8,873)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 194,697	\$ 194,697
Accumulated Depreciation and Amortization (108)-----	F-5,W-2,S-3	<u>154,455</u>	<u>149,971</u>
Net Utility Plant-----		\$ 40,242	\$ 44,726
Cash-----		43	195
Customer Accounts Receivable (141)-----		1,773	6,014
Other Assets (Specify):-----			

Total Assets -----		\$ <u>42,058</u>	\$ <u>50,935</u>
Liabilities and Capital:			
Common Stock Issued (201)-----	F-6	50	50
Preferred Stock Issued (204)-----	F-6	---	---
Other Paid in Capital (211)-----		49,272	52,418
Retained Earnings (215)-----	F-6	(71,135)	(64,347)
Proprietary Capital (Proprietary and partnership only) (218)-----	F-6		
Total Capital -----		\$ <u>(21,813)</u>	\$ <u>(11,879)</u>
Long Term Debt (224)-----	F-6	\$ 19,003	\$ 22,194
Accounts Payable (231)-----		2,726	
Notes Payable (232)-----			
Customer Deposits (235)-----		210	210
Accrued Taxes (236)-----		1,304	1,320
Other Liabilities (Specify)-----			
Loans From S/h-----		5,850	5,500

Advances for Construction-----			
Contributions in Aid of Construction - Net (271-272)-----	F-8	<u>34,778</u>	<u>33,590</u>
Total Liabilities and Capital -----		\$ <u>42,058</u>	\$ <u>50,935</u>

UTILITY NAME: C.S. WATER, COMPANY, INC.

YEAR OF REPORT DECEMBER 31, 2,006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service -----	\$ 194,697	\$ _____	\$ _____	\$ 194,697
Construction Work in -----	_____	_____	_____	_____
Other (Specify) _____ _____ _____	_____	_____	_____	_____
Total Utility Plant _____	\$ 194,697	\$ _____	\$ _____	\$ 194,697

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

Account 108	Water	Wastewater	A/D & CIAC AM. Other Than Reporting Systems	Total
Balance First of Year _____	\$ 149,971	\$ _____	\$ _____	\$ 149,971
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ 4,484	\$ _____	\$ _____	\$ 4,484
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ 4,484	\$ _____	\$ _____	\$ 4,484
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ 0
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ 0	\$ _____	\$ _____	\$ 0
Balance End of Year _____	\$ 154,455	\$ _____	\$ _____	\$ 154,455

UTILITY NAME C.S. WATER, COMPANY, INC.

YEAR OF REPORT DECEMBER 31, 2,006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	_____	_____
Shares authorized _____	7,500	_____
Shares issued and outstanding _____	50	_____
Total par value of stock issued _____	50	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (64,347)
Changes during the year (Specify):		
NET PROFIT	_____	(8,873)
CURRENT YR ADJUSTMENTS	_____	2,085
Balance end of year _____	\$ _____	\$ (71,135)

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
N/P - CROSS ENVIRONMENTAL SERVICES	--	--	9,330
N/P - COMMUNITY NAT'L LOC	--	--	9,673
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 19,003

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income				
State ad valorem tax _____	252	_____	_____	252
Local property tax _____	1,793	_____	_____	1,793
Regulatory assessment fee _____	2,888	_____	_____	2,888
Other (Specify) _____	_____	_____	_____	_____
EMPLOYER FICA/MC	1,974	_____	_____	1,974
UNEMPLOYMENT TAX	137	_____	_____	137
Total Tax Expense _____	\$ 7,044	\$ _____	\$ _____	\$ 7,044

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
JUDSON B. BAGGETT, CPA, PA	\$ 2,044	\$ ---	ACCOUNTING & TAX SERVICE
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
TOTAL	\$ 2,044	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ <u>89,273</u>	\$ _____	\$ <u>89,273</u>
2) Add credits during year _____	\$ _____	\$ _____	\$ _____
3) Total _____	<u>89,273</u>	_____	<u>89,273</u>
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	<u>89,273</u>	_____	<u>89,273</u>
6) Less Accumulated Amortization _____	<u>(54,495)</u>	_____	<u>(54,495)</u>
7) Net CIAC _____	<u>\$ 34,778</u>	<u>\$ _____</u>	<u>\$ 34,778</u>

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

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

ACCUMULATED AMORTIZATION OF CIAC

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Balance First of Year _____	\$ <u>52,538</u>	\$ _____	\$ <u>52,538</u>
Add Credits During Year: _____	<u>1,957</u>	_____	<u>1,957</u>
Deduct Debits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	<u>\$ 54,495</u>	<u>\$ _____</u>	<u>\$ 54,495</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME: C.S WATER COMPANY, INC.

YEAR OF REPORT	
DECEMBER 31	2006

NOT APPLICABLE

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	N/A	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		<u>_____</u> %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	_____ %
Commission Order approving AFUDC rate:	_____

**WATER
OPERATING
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises_____				
303	Land and Land Rights_____	760			760
304	Structures and Improvements_____	748			748
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____	18,930			18,930
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____				
310	Power Generation Equipment_____				
311	Pumping Equipment_____	5,493			5,493
320	Water Treatment Equipment_____				
330	Distribution Reservoirs and Standpipes_____	92,723			92,723
331	Transmission and Distribution Lines_____				
333	Services_____				
334	Meters and Meter Installations_____	11,267			11,267
335	Hydrants_____				
339	Other Plant and Miscellaneous Equipment_____	12,715			12,715
340	Office Furniture and Equipment_____	3,952			3,952
341	Transportation Equipment_____	29,461			29,461
342	Stores Equipment_____				
343	Tools, Shop and Garage Equipment_____				
344	Laboratory Equipment_____				
345	Power Operated Equipment_____				
346	Communication Equipment_____				
347	Miscellaneous Equipment_____	15,857			15,857
348	Other Tangible Plant_____	2,791			2,791
	Total Water Plant_____	\$ 194,697	\$ 0	\$ 0	\$ 194,697

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	15	0 %	%	\$ 748	\$		\$ 748
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	5/20	0 %	6 %	18,507		320	18,827
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment		%	%				
311	Pumping Equipment	20	0 %	7 %	2,782		245	3,027
320	Water Treatment Equipment		%	%				
330	Distribution Reservoirs & Standpipes	15/20	0 %	3 %	69,536		1,939	71,475
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installations	10/20	0 %	9 %	8,011		320	8,331
335	Hydrants		%	%				
339	Other Plant and Miscellaneous Equipment	8/15	0 %	%	1,232		509	1,741
340	Office Furniture and Equipment	5/7	0 %	%	3,326		611	3,937
341	Transportation Equipment	5/7	0 %	14 %	29,461			29,461
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment	7	0 %	7 %	14,153		497	14,650
348	Other Tangible Plant	7	0 %	%	2,215		43	2,258
	Totals				\$ 149,971	\$ 0	\$ 4,484	\$ 154,455 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	25,800
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	_____
616	Fuel for Power Production_____	_____
618	Chemicals_____	255
620	Materials and Supplies_____	2,872
630	Contractual Services:	
	Operator and Management_____	2,348
	Testing_____	_____
	Other_____	_____
640	Rents_____	3,183
650	Transportation Expense_____	4,003
655	Insurance Expense_____	6,392
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
670	Bad Debt Expense_____	_____
675	Miscellaneous Expenses_____	20,159
	Total Water Operation And Maintenance Expense_____	\$ 65,012
	* This amount should tie to Sheet F-3.	

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	405	407	407
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	C	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers Other (Specify): _____	_____	_____	_____	_____	_____
Unmetered Customers			_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	405	407
			_____	_____	_____

UTILITY NAME C.S. WATER CO., INC.

YEAR OF REPORT
DECEMBER 31, 2,006

SYSTEM NAME: _____

X

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January_____	_____	_____	_____	_____	3,119
February_____	_____	_____	_____	_____	2,747
March_____	_____	_____	_____	_____	3,664
April_____	_____	_____	_____	_____	4,229
May_____	_____	_____	_____	_____	4,396
June_____	_____	_____	_____	_____	3,791
July_____	_____	_____	_____	_____	3,716
August_____	_____	_____	_____	_____	3,447
September_____	_____	_____	_____	_____	3,241
October_____	_____	_____	_____	_____	3,596
November_____	_____	_____	_____	_____	3,274
December_____	_____	_____	_____	_____	3,181
Total for Year_____	_____	_____	_____	_____	42,401

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	6"	7,100	----	----	7,100
PVC	4"	12,618	----	----	12,618
PVC	3"	4,650	----	----	4,650
PVC	2"	21,710	----	----	21,710
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: _____

YEAR OF REPORT DECEMBER 31, 2,006

SYSTEM NAME: _____

**WELLS AND WELL PUMPS
(If Available)**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1971	1976	_____	_____
Types of Well Construction and Casing _____	6"STEEL	6"STEEL	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	110'	105'	_____	_____
Diameters of Wells _____	8"	6"	_____	_____
Pump - GPM _____	140GPM	95GPM	_____	_____
Motor - HP _____	7.5HP	7.9HP	_____	_____
Motor Type * _____	CENT	CENT	_____	_____
Yields of Wells in GPD _____	201,600	136,800	_____	_____
Auxiliary Power _____	_____	15KW Gas Generator	_____	_____
_____	_____	_____	_____	_____
* Submersible, centrifugal, etc.	#1 S.B.	#2 E.X.	_____	_____

**RESERVOIRS
(Hydropneumatic)**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	N/A	Steel	_____	_____
Capacity of Tank _____	_____	15,000	_____	_____
Ground or Elevated _____	_____	Ground	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>Motors</u>				
Manufacturer _____	N/A	N/A	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<u>Pumps</u>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: _____

YEAR OF REPORT DECEMBER 31, 2006

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source _____	161,000 Avg - 242,000 Peak	_____	_____
Type of Source _____	GROUND WATER	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	LIQ CHEM FEED PUMP	_____	_____
Make _____	STENNAR - 17 GPD	_____	_____
Gals. per day capacity _____	182,880	_____	_____
High service pumping	_____	_____	_____
Gallons per minute _____	_____	_____	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating _____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator _____	STENNAR	_____	_____
Ozone _____	_____	_____	_____
Other _____	_____	_____	_____
Auxiliary Power _____	GAS/GEN	_____	_____

UTILITY NAME: C.S. Water Company, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve.	_____	332
2. Maximum number of ERC's* which can be served.	_____	523
3. Present system connection capacity (in ERC's) using existing lines.	_____	523
4. Future connection capacity (in ERC's) upon service using existing lines.	_____	
5. Estimated annual increase in ERC's*.	_____	5%
6. Is the utility required to have fire flow capacity? Is so, how much capacity is required?	_____	N/A
7. Attach a description of the fire fighting facilities.		
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.		
	N/A	
9. When did the company last file a capacity analysis report with the DEP?	_____	
10. If the present system does not meet the requirements of DEP rules, submit the following:		
a. Attach a description of the plant upgrade necessary to meet the DEP rules.		
b. Have these plans been approved by DEP?	_____	
c. When will construction begin?	_____	
d. Attach plans for funding the required upgrading.	_____	
e. Is this system under any Consent Order with DEP?	_____	
11. Department Of Environmental Protection ID#	_____	6510216
12. Waste Management District Consumptive Use Permit #	_____	WUP 2000096404
a. Is the system in compliance with the requirements of the CUP?	_____	
b. If not, what are the utility's plans to gain compliance?	_____	

* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (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 = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

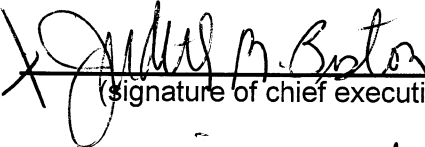
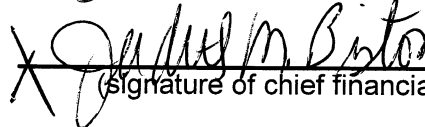
Note: This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--|--------------------------------|---|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	 _____ (signature of chief executive officer of the utility)	*
1. <input checked="" type="checkbox"/>	2. <input checked="" type="checkbox"/>	3. <input checked="" type="checkbox"/>	4. <input checked="" type="checkbox"/>	 _____ (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.

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations**

Company: C.S. Water, Inc.

For the Year Ended December 31, 2006

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch.F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 66,716	\$ 66,716	\$ 0
Commerical			
Industrial			
Multiple Family			
Guaranteed Revenues			
Other			
Total Water Operating Revenue	\$ 66,676	\$ 66,676	\$ 0
Less: Expense for Purchased Water from FPSC-Regulated Utility			
Net Water Operation Revenues	\$ 66,676	\$ 66,676	\$ 0

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).