

**OFFICIAL COPY**  
Public Service Commission  
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**CLASS "A" OR "B"**  
**WATER and/or WASTEWATER UTILITIES**  
(Gross Revenue of More Than \$200,000 Each)

**ANNUAL REPORT**

OF

WU385-07-AR

**Windstream Utilities Company**

Exact Legal Name of Respondent

**427-W**

Certificate Numbers

Submitted To The

STATE OF FLORIDA



08 MAR 21 11:10:03  
PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION  
FOR THE  
YEAR ENDED DECEMBER 31, 2007



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

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

March 17, 2008

Officers and Directors  
Windstream Utilities Company

We have compiled the balance sheets of Windstream Utilities Company as of December 31, 2007 and 2006, and the related statements of income and retained earnings for the years then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

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

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

We are not independent with respect to Windstream Utilities Company.

  
CARLSTEDT, JACKSON, NIXON & WILSON

## General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create a permanent record, such as by typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule of the page with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

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

The fourth copy should be retained by the utility

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**EXECUTIVE**

**SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

<b>YEAR OF REPORT</b> <b>December 31, 2007</b>
---

**UTILITY NAME:** Windstream Utilities Company

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

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

Items Certified

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

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

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

\_\_\_\_\_  
 N/A  
 (signature of the chief financial officer of the utility) \*

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

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

ANNUAL REPORT OF

YEAR OF REPORT  
December 31, 2007

Windstream Utilities Company  
(Exact Name of Utility)

County: Marion

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

P.O. Box 4201  
Ocala, Florida 34478-4201

Telephone: ( 352 ) 620-8290

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

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

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

Telephone: ( 727 ) 791-4020

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

3002 N E 10th Street  
Ocala, Florida

Telephone: ( 352 ) 620-8290

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

Carlstedt, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility: 03/22/84

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

Individual  Partnership  Sub S Corporation  1120 Corporation

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

	Name	Percent Ownership	
1.	Sharon Dlouhy Family Trust	60.0	%
2.	L.E. Dlouhy	40.0	%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%



UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2007

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

<b>NAME OF COMPANY REPRESENTATIVE (1)</b>	<b>TITLE OR POSITION (2)</b>	<b>ORGANIZATIONAL UNIT TITLE (3)</b>	<b>USUAL PURPOSE FOR CONTACT WITH FPSC</b>
Robert C. Nixon	CPA	Carlstedt, Jackson, Nixon & Wilson, CPA's	Accounting & rate matters
F. Marshall Deterding	Attorney	Rose, Sundstrom & Bentley	Legal matters
LE "Butch" Dlouhy	Officer	Windstream Utilities	All matters

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

**UTILITY NAME:** Windstream Utilities Company

**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

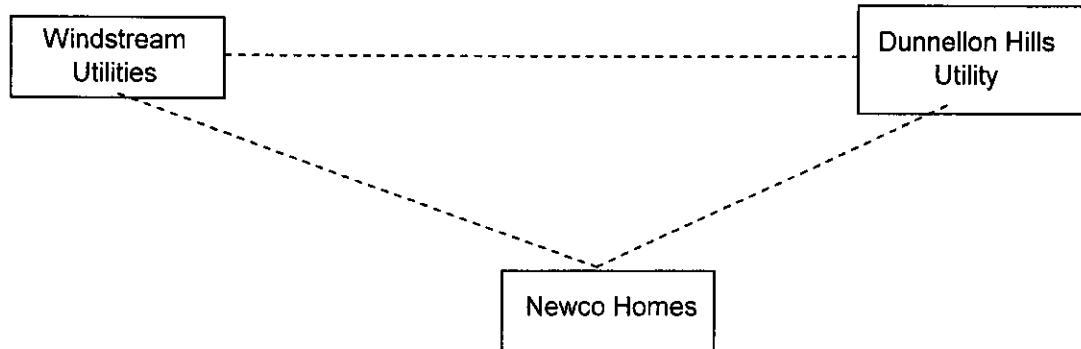
- (A) The Utility was organized March 22, 1984 to provide water service to the Windstream Development. The Utility has experienced customer growth from other developments since its organization.
- (B) Water service only.
- (C) The Utility's goals are to provide quality water service and earn a fair return on its investment in Plant in Service.
- (D) Water service only.
- (E) The projected growth rate is approximately 100 additional ERC's per year over the next 3 years. Thereafter, the present service area will be approaching buildout.
- (F) None

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2007

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

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



The Utility has no parents or subsidiaries. The entities above are affiliated only through common ownership by the Utility's stockholder.

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2007
--

**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
L.E. Dlouhy	President	60 %	\$ 0
Lesli Poole	Vice President	80 %	\$ 36,680
			\$
			\$
			\$
			\$
			\$
			\$
			\$

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as an director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
L.E. Dlouhy	President	1	\$ None
Lesli Poole	Vice President	1	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2007
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**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

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

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Newco Homes	Field labor, plants operations Construction contract negotiation and supervision, field repairs, maintenance, accounting, meter reading, billing.	\$ 127,000	Newco Homes 3002 NE 10th Street Ocala, Florida
LE Diouhy	Office Building	17,892	3002 NE 10th Street Ocala, Florida

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

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2007

**AFFILIATION OF OFFICERS AND DIRECTORS**

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

<b>NAME (a)</b>	<b>PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)</b>	<b>AFFILIATION OR CONNECTION (c)</b>	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)</b>
L.E. Dlouhy	Development	Officer Officer	Newco Homes Windstream Utilities Corp
Lesli Poole	Officer	Officer	Windstream Utilities Corp

UTILITY NAME: Windstream Utilities Company

**BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE**

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

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

UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2007
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

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

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

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Newco Homes	Field labor, plants operations Construction contract negotiation and supervision, field repairs, maintenance, accounting, meter reading, billing.	1984 - Open	P	\$ 127,000
LE Dlouhy	Office rent	1984 - Open	p	17,892



UTILITY NAME: Windstream Utilities Company

<b>YEAR OF REPORT</b> December 31, 2007
--

**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.
2. Below are examples of some types of transactions to include:
  - purchase, sale or transfer of equipment.
  - purchase, sale or transfer of land and structures.
  - purchase, sale or transfer of securities.
  - noncash transfers of assets.
  - noncash dividends other than stock dividends.
  - writeoff of bad debts or loans.

3. The columnar instructions follow:
  - (a) Enter name of related party or company.
  - (b) Describe briefly the type of assets purchased, sold or transferred.
  - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
  - (d) Enter the net book value for each item reported.
  - (e) Enter the net profit or loss for each item (column (c) - column (d)).
  - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

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

**FINANCIAL**

**SECTION**

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
**December 31, 2007**

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 2,379,371	\$ 2,277,932
108-110	Less: Accumulated Depreciation and Amortization	F-8	(618,887)	(514,261)
Net Plant			1,760,484	1,763,671
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			1,760,484	1,763,671
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		232,956	58,075
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 Uncollectable Accounts	F-11	55,352	56,415
145	Accounts Receivable from Associated Companies	F-12	162,504	161,871
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments		1,250	1,250
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	225	1,273
Total Current and Accrued Assets			452,287	278,884

\* Not Applicable for Class B Utilities



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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
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			
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings (Deficit)	F-16	15,803	(23,492)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital (Deficit)			16,803	(22,492)
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17	449,272	475,775
Total Long Term Debt			449,272	475,775
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		335,706	180,960
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18	272,991	247,991
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits		17,676	17,575
236	Accrued Taxes		13,788	27,634
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20	187	197
Total Current and Accrued Liabilities			640,348	474,357

\* Not Applicable for Class B Utilities

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	F-13		
252	Advances for Construction	F-20	21,880	55,208
253	Other Deferred Credits	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			<u>21,880</u>	<u>55,208</u>
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve			
262	Injuries and Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves				
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	1,431,770	1,352,501
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(347,302)	(292,794)
Total Net C.I.A.C.			<u>1,084,468</u>	<u>1,059,707</u>
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			<u>\$ 2,212,771</u>	<u>\$ 2,042,555</u>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 630,781	\$ 561,339
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			630,781	561,339
401	Operating Expenses	F-3(b)	464,737	408,127
403	Depreciation Expense	F-3(b)	91,479	104,628
	Less: Amortization of CIAC	F-22	(48,761)	(54,508)
Net Depreciation Expense			42,718	50,120
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	47,792	39,454
409	Current Income Taxes	W/S-3	2,000	4,879
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			557,247	502,580
Net Utility Operating Income			73,534	58,759
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			
Total Utility Operating Income [Enter here and on Page F-3(c)]			73,534	58,759

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

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 561,339 N/A		N/A
561,339	-	-
408,127		
104,628 (54,508)		
50,120	-	-
39,454 4,879		
502,580		
58,759	N/A	
-		
58,759		N/A

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



**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 73,534	\$ 58,759
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income		1,050	1,915
421	Miscellaneous Nonutility Revenue		2,081	10,146
426	Miscellaneous Nonutility Expenses		(9,119)	(10,159)
Total Other Income and Deductions			(5,988)	1,902
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.20	Taxes Other Than Income			
409.20	Income Taxes			(17,372)
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				(17,372)
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	50,786	38,739
428	Amortization of Debt Discount & Expense	F-13	1,919	
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			52,705	38,739
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
<b>NET INCOME</b>			<b>14,841</b>	<b>39,294</b>

Explain Extraordinary Income:

**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 2,346,899	N/A
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	(618,887)	
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	(1,431,770)	
252	Advances for Construction	F-20	(21,880)	
Subtotal			274,362	
	Add:			
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	347,302	
Subtotal			621,664	
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		51,016	
	Other (Specify):			
	Non-used and useful advances		21,880	-
RATE BASE			\$ 694,560	\$ -
NET UTILITY OPERATING INCOME			\$ 58,759	\$ -
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			8.46 %	-- %

**NOTES:**

- (1) Estimated if not known.
  - (2) Include only those Acquisition Adjustments that have been approved by the Commission.
  - (3) Calculation consistent with last rate proceeding.
- In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.





**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,346,899		N/A	\$ 2,346,899
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress	32,472			32,472
106	Completed Construction Not Classified				
<b>Total Utility Plant</b>		<b>\$ 2,379,371</b>		<b>N/A</b>	<b>\$ 2,379,371</b>

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

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

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

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b> Account 108				
Balance first of year	\$ 514,261		N/A	\$ 514,261
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	104,628			104,628
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
_____				
_____				
Salvage				
Other Credits (specify) :				
_____				
_____				
Total credits	104,628			104,628
Debits during year:				
Book cost of plant retired		-		
Cost of removal				
Other debits (specify)				
Rounding	(2)			(2)
_____				
Total debits	(2)			(2)
Balance end of year	\$ 618,887	N/A	N/A	\$ 618,887

<b>ACCUMULATED AMORTIZATION</b> Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
_____				
to Account 110.2 (2)				
Other Accounts (specify):				
_____				
_____				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
_____				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

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

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.  
Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

**SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
**December 31, 2007**

**INVESTMENTS AND SPECIAL FUNDS  
 ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): N/A	\$ -	\$ -
<b>Total Investment In Associated Companies</b>		\$ -
UTILITY INVESTMENTS (Account 124): N/A	\$ -	\$ -
<b>Total Utility Investments</b>		\$ -
OTHER INVESTMENTS (Account 125): N/A	\$ -	\$ -
<b>Total Other Investments</b>		\$ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 & 127; Class B Utilities: Account 127)) N/A		\$ -
<b>Total Special Funds</b>		\$ -



**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 35,355	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 35,355
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
Dlouhy Family LTD Partnership	\$ 19,997	
	-	
Total Other Accounts Receivable		\$ 19,997
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		55,352
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
Add: Provision for uncollectables for current year		
Collections of accounts previously written off		
Utility accounts		
Others		
Total Additions		
Deduct accounts written off during year:		
Utility accounts		
Others		
Total accounts written off		
Balance end of year		
Total Accounts and Notes Receivable - Net		\$ 55,352

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
**December 31, 2007**

**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES**  
**ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
Newco Homes	\$ 26,755
Dunellon Hills (Citrus County regulated system)	6,086
Stockholders	129,663
Total	\$ 162,504

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES**  
**ACCOUNT 146**

Report each note receivable from associated companies separately.

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

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS**  
**ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Utility deposit	\$ 225
Total	\$ 225

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2007

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT**  
Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
_____	\$ _____ -	\$ _____ -
_____		
_____		
_____		
Total Unamortized Debt Discount and Expense		
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ _____ -	\$ _____ -
_____		
_____		
_____		
Total Unamortized Premium on Debt	\$ _____ -	\$ _____ -

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

Report each item separately.

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

**MISCELLANEOUS DEFERRED DEBITS**  
**ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	NONE	NONE
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): None	\$ -	\$ -
Total Other Deferred Debits	NONE	NONE
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	NONE

UTILITY NAME: Windstream Utilities Company

**YEAR OF REPORT**  
December 31, 2007

**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (d)
<b>COMMON STOCK</b>		
Par or stated value per share	\$ 1.00	\$ 1.00
Shares authorized		1,000
Shares issued and outstanding		1,000
Total par value of stock issued	\$ -	\$ 1,000
Dividends declared per share for year	None	None
<b>PREFERRED STOCK</b>		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

\* Account 204 not applicable for Class B utilities

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

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

**STATEMENT OF RETAINED EARNINGS**

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year (Deficit)	\$ (23,492)
439	Changes to account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: Rounding	1
	Total Credits	1
	Debits:	
	Total Debits	
435	Balance transferred from Income	39,294
436	Appropriations of Retained Earnings:	
	Total appropriations of Retained Earnings	
437	Dividends declared: Preferred stock dividends declared	
438	Common stock dividends declared	
	Total Dividends Declared	
	Year end Balance	15,803
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
214	Total Appropriated Retained Earnings	
	Total Retained Earnings	\$ 15,803

Notes to Statement of Retained Earnings:



**NOTES PAYABLE (ACCTS. 232 AND 234)**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232):			
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
Newco Homes	\$ 272,991
Total	\$ 272,991



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

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt					
Regions Bank		427.1	\$ 4,895	\$ 4,895	\$ -
L.E. Dlouhy	-	427.1	33,802	33,802	
Total Account No. 237.1	-		38,697	38,697	-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
Customer Deposits		427.5	18	18	-
Chase Bank		427.5	24	24	
Total Account 237.2	-		42	42	
Total Account 237 (1)	\$ -		\$ 38,739	\$ 38,739	\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 38,739		
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ 38,739		

(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



**OTHER DEFERRED CREDITS**  
**ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)  N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)  N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ - <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ -	\$ -

UTILITY NAME: Windstream Utilities Company

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 1,352,501	N/A	N/A	\$ 1,352,501
Add credits during year:	79,269			79,269
Less debits charged during				-
Total Contributions In Aid of Construction	\$ 1,431,770	\$ -	\$ -	\$ 1,431,770

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance First of year	\$ 292,794	N/A	N/A	\$ 292,794
Debits during year:	54,508			54,508
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 347,302			\$ 347,302

UTILITY NAME: Windstream Utilities Company

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

<p>1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.</p> <p>2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.</p>		
DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 39,294
Reconciling items for the year:		
Taxable income not reported on the books:		
Meter fees	W-7	22,599
_____		
_____		
Deductions recorded on books not deducted for return:		
Federal Income Taxes		4,879
Miscellaneous non-utility	F-3c	35,050
_____		
_____		
Income recorded on books not included in return:		
Adjust prior year income tax liability		17,372
_____		
_____		
Deduction on return not charged against book income:		
Book-Tax Depreciation difference	F-3a	51,920
_____		
_____		
Federal tax net income		\$ 32,530
Computation of tax:		
Taxable Income		\$ 32,530
Tax Rate		15.00%
Net Tax		\$ 4,879

**WATER  
OPERATION  
SECTION**



UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 2,346,899
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	(618,887)
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	(1,431,770)
252	Advances for Construction	F-20	(21,880)
	Subtotal		274,362
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	347,302
	Subtotal		621,664
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		51,016
	Other (Specify): Non-used & useful advances		21,880
	WATER RATE BASE		\$ 694,560
	UTILITY OPERATING INCOME	W-3	\$ 58,759
	Achieved Rate of Return (Water Operating Income/Water Rate Base)		8.46 %

NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.  
 (2) Include only those Acquisition Adjustments that have been approved by the Commission.  
 (3) Calculation consistent with last rate proceeding.  
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.



**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
	<b>UTILITY OPERATING INCOME</b>		
400	Operating Revenues	W-9	561,339
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		561,339
401	Operating Expenses	W-10(a)	408,127
403	Depreciation Expense	W-6(a)	104,628
	Less: Amortization of CIAC	W-8(a)	(54,508)
	Net Depreciation Expense		50,120
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		25,259
408.11	Property Taxes		10,407
408.12	Payroll Taxes		3,665
408.13	Other Taxes & Licenses		123
408	Total Taxes Other Than Income		39,454
409.1	Income Taxes	F-16	4,879
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		502,580
	Utility Operating Income		58,759
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	-
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		-
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 58,759

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

YEAR OF REPORT  
 December 31, 2007

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises				
303	Land and Land Rights	54,085			54,085
304	Structure and Improvements	40,803			40,803
305	Collecting and Impounding Reservoirs	28,731			28,731
306	Lake, River and Other Intakes				
307	Wells and Springs	184,432			184,432
308	Infiltration Galleries and Tunnels				
309	Supply Mains	15,971			15,971
310	Power Generation Equipment	30,906			30,906
311	Pumping Equipment	77,212	15,765		92,977
320	Water Treatment Equipment	132,517			132,517
330	Distribution Reservoirs and Standpipes	430,487	7,500		437,987
331	Transmission and Distribution Mains	710,660			710,660
333	Services	82,215			82,215
334	Meters and Meter Installations	329,053	17,106		346,159
335	Hydrants	70,746	297		71,043
336	Backflow Prevention Devices	2,050			2,050
339	Other Plant / Miscellaneous Equipment	162	259		421
340	Office Furniture and Equipment	62,119			62,119
341	Transportation Equipment	9,069			9,069
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	409			409
344	Laboratory Equipment				
345	Power Operated Equipment	926			926
346	Communication Equipment	5,021	35,540		40,561
347	Miscellaneous Equipment	1,858			1,858
348	Other Tangible Plant	1,000			1,000
	TOTAL WATER PLANT	\$ 2,270,432	\$ 76,467	\$ -	\$ 2,346,899

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

**UTILITY NAME:** Windstream Utilities Company  
**SYSTEM NAME / COUNTY:** Windstream Utilities / Marion

**WATER UTILITY PLANT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization		\$ -				
302	Franchises						
303	Land and Land Rights	54,085			\$ 54,085		
304	Structure and Improvements	40,803			40,803		
305	Collecting and Impounding Reservoirs	28,731		28,731			
306	Lake, River and Other Intakes						
307	Wells and Springs	184,432		184,432			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	15,971		15,971			
310	Power Generation Equipment	30,906		30,906			
311	Pumping Equipment	92,977		92,977			
320	Water Treatment Equipment	132,517			132,517		
330	Distribution Reservoirs and Standpipes	437,987				437,987	
331	Transmission and Distribution Mains	710,660				710,660	
333	Services	82,215				82,215	
334	Meters and Meter Installations	346,159				346,159	
335	Hydrants	71,043				71,043	
336	Backflow Prevention Devices	2,050				2,050	
339	Other Plant / Miscellaneous Equipment	421				421	
340	Office Furniture and Equipment	62,119					62,119
341	Transportation Equipment	9,069					9,069
342	Stores Equipment						
343	Tools, Shop and Garage Equipment	409					409
344	Laboratory Equipment						
345	Power Operated Equipment	926					926
346	Communication Equipment	40,561					40,561
347	Miscellaneous Equipment	1,858					1,858
348	Other Tangible Plant	1,000					1,000
	TOTAL WATER PLANT	\$ 2,346,899	\$ -	\$ 353,017	\$ 227,405	\$ 1,650,535	\$ 115,942

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
301	Organization		%	%
302	Franchises		%	%
304	Structure and Improvements	28.00	%	3.57 %
305	Collecting and Impounding Reservoirs	28.00	%	3.57 %
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	27.00	%	3.70 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35.00	%	2.86 %
310	Power Generation Equipment	20.00	%	5.00 %
311	Pumping Equipment	17.00	%	5.88 %
320	Water Treatment Equipment	7.00	%	14.29 %
330	Distribution Reservoirs and Standpipes	33.00	%	3.03 %
331	Transmission and Distribution Mains	38.00	%	2.63 %
333	Services	35.00	%	2.86 %
334	Meters and Meter Installations	17.00	%	5.88 %
335	Hydrants	45.00	%	2.22 %
336	Backflow Prevention Devices	15.00	%	6.67 %
339	Other Plant / Miscellaneous Equipment	25.00	%	4.00 %
340	Office Furniture and Equipment	15.00	%	6.67 %
341	Transportation Equipment	6.00	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	15.00	%	6.67 %
344	Laboratory Equipment		%	%
345	Power Operated Equipment	12.00	%	8.33 %
346	Communication Equipment	10.00	%	10.00 %
347	Miscellaneous Equipment	10.00	%	10.00 %
348	Other Tangible Plant	10.00	%	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.

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

YEAR OF REPORT  
 December 31, 2007

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ -	\$ -	\$ -	\$ -
302	Franchises				
304	Structure and Improvements	18,425	1,457		1,457
305	Collecting and Impounding Reservoirs	17,697	1,026		1,026
306	Lake, River and Other Intakes				
307	Wells and Springs	53,406	6,824		6,824
308	Infiltration Galleries and Tunnels				
309	Supply Mains	2,285	457		457
310	Power Generation Equipment	5,733	1,545		1,545
311	Pumping Equipment	52,145	5,003		5,003
320	Water Treatment Equipment	82,388	18,937		18,937
330	Distribution Reservoirs and Standpipes	49,597	13,157		13,157
331	Transmission and Distribution	163,094	18,690		18,690
333	Services	10,585	2,352	(1)	2,351
334	Meters and Meter Installations	18,774	19,851		19,851
335	Hydrants	4,895	1,574		1,574
336	Backflow Prevention Devices	502	137		137
339	Other Plant / Miscellaneous Equipment	31	11		11
340	Office Furniture and Equipment	22,142	9,426	(1)	9,425
341	Transportation Equipment	6,265	1,512		1,512
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	243	27		27
344	Laboratory Equipment				
345	Power Operated Equipment	656	77		77
346	Communication Equipment	3,636	2,279		2,279
347	Miscellaneous Equipment	879	186		186
348	Other Tangible Plant	883	100		100
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 514,261	\$ 104,628	\$ (2)	\$ 104,626

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

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

YEAR OF REPORT  
 December 31, 2007

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

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	\$ -
302	Franchises					
304	Structure and Improvements					19,882
305	Collecting and Impounding Reservoirs					18,723
306	Lake, River and Other Intakes					
307	Wells and Springs					60,230
308	Infiltration Galleries and Tunnels					
309	Supply Mains					2,742
310	Power Generation Equipment					7,278
311	Pumping Equipment					57,148
320	Water Treatment Equipment					101,325
330	Distribution Reservoirs and Standpipes					62,754
331	Transmission and Distribution					181,784
333	Services					12,936
334	Meters and Meter Installations					38,625
335	Hydrants					6,469
336	Backflow Prevention Devices					639
339	Other Plant / Miscellaneous Equipment					42
340	Office Furniture and Equipment					31,567
341	Transportation Equipment					7,777
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					270
344	Laboratory Equipment					
345	Power Operated Equipment					733
346	Communication Equipment					5,915
347	Miscellaneous Equipment					1,065
348	Other Tangible Plant					983
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 618,887



UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**WATER 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)
Capacity fees - Sun Country	7.00	\$ 250	\$ 1,750
Capacity fees except Sun Country	34.00	515	17,510
Meter fees - Sun Country	1.00	165	165
Meter fees - Except Sun Country	22.00	165	3,630
	-		-
<b>Total Credits</b>			<b>\$ 23,055</b>

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

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 292,794
Debits during year:	
Accruals charged to Account	54,508
Other Debits (specify):	
<b>Total debits</b>	<b>54,508</b>
Credits during year (specify):	
<b>Total credits</b>	
Balance end of year	\$ 347,302





UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	1,256	1,242	\$ 510,590
461.2	Metered Sales to Commercial Customers	125	193	43,459
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	1,381	1,435	554,049
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection	1	4	1,920
	Total Fire Protection Revenue	1	4	1,920
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
466	Sales for Resale			
467	Interdepartmental Sales			
	Total Water Sales	1,382	1,439	555,969
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			5,370
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 5,370
	Total Water Operating Revenues			\$ 561,339

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

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 8,747	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders	36,680		
604	Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power	41,650		
616	Fuel for Power Production	394		
618	Chemicals	7,603		
620	Materials and Supplies	7,934		99
631	Contractual Services - Engineering	4,048		
632	Contractual Services - Accounting	15,940		
633	Contractual Services - Legal	8,431		
634	Contractual Services - Mgt. Fees	127,000		
635	Contractual Services - Testing	70		
636	Contractual Services - Other	88,066		18,583
641	Rental of Building/Real Property	24,601		
642	Rental of Equipment	803		
650	Transportation Expense	2,167		
656	Insurance - Vehicle			
657	Insurance - General Liability	893		
658	Insurance - Workmens Comp.			
659	Insurance - Other	(1,824)		
660	Advertising Expense	570		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp.-Other			
670	Bad Debt Expense	887		
675	Miscellaneous Expenses	33,467		
Total Water Utility Expenses		\$ 408,127		\$ 18,682

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,747
					36,680
41,650					
394					
7,603					
	1,720	679	3,219	307	1,910
					4,048
					15,940
					8,431
		127,000			
			70		
34,983	158		12,615	18,065	3,662
	4,846				19,755
					803
					2,167
					893
					(1,824)
					570
				887	
3,507	1,520	328		1,765	26,347
\$ 88,137	\$ 8,244	\$ 128,007	\$ 15,904	\$ 21,024	\$ 128,129

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH #NAME?	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		19,261		19,261	18,094
February		18,823		18,823	18,349
March		34,857	15,000	19,857	18,537
April		28,131		28,131	25,314
May		37,147	4,000	33,147	30,240
June		28,355		28,355	28,572
July		21,027		21,027	24,993
August		23,337		23,337	19,072
September		21,239		21,239	21,512
October		20,142		20,142	20,042
November		22,946		22,946	20,946
December		21,642		21,642	21,640
Total for year	N/A	296,907	19,000	277,907	267,311

If water is purchased for resale, indicate the following:

Vendor N/A  
 Point of deliver N/A

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Windstream & Carriage Hills	.010 mgd	.010 mgd	Aquifer
Windstream & Carriage Hills	.057 mgd	.057 mgd	Aquifer
Majestic Oaks	.500 mgd	.500 mgd	Aquifer
Majestic Oaks	.690 mgd	.690 mgd	Aquifer
Sun Country Estate/Paddock Downs	.154 mgd	.154 mgd	Aquifer

UTILITY NAME: Windstream Utilities Company  
SYSTEM NAME / COUNTY: Windstream Utilities/Marion

**YEAR OF REPORT**  
**December 31, 2007**

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): 144,000 gpd (Windstream)

Location of measurement of capacity  
(i.e. Wellhead, Storage Tank): Wellhead

Type of treatment (reverse osmosis,  
sedimentation, chemical, aerated, etc): Chlorination

**LIME TREATMENT**

Unit rating (i.e., GPM, pounds  
per gallon): N/A Manufacturer N/A

**FILTRATION**

Type and size of area:

Pressure (in square feet): N/A Manufacturer N/A

Gravity (in GPM/square feet): N/A Manufacturer N/A

UTILITY NAME: Windstream Utilities Company  
SYSTEM NAME / COUNTY: Windstream Utilities/Marion

**YEAR OF REPORT**  
**December 31, 2007**

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>384,000 gpd</u>	(Majestic Oaks)
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>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer <u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>
Gravity (in GPM/square feet):	<u>N/A</u>	Manufacturer <u>N/A</u>

UTILITY NAME: Windstream Utilities Company  
SYSTEM NAME / COUNTY: Windstream Utilities/Marion

**YEAR OF REPORT**  
**December 31, 2007**

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): 100,000 gpd (Sun Country/PaddockDowns)

Location of measurement of capacity  
(i.e. Wellhead, Storage Tank): Wellhead

Type of treatment (reverse osmosis,  
sedimentation, chemical, aerated, etc): Chlorination

**LIME TREATMENT**

Unit rating (i.e., GPM, pounds  
per gallon): N/A Manufacturer N/A

**FILTRATION**

Type and size of area:

Pressure (in square feet): N/A Manufacturer N/A

Gravity (in GPM/square feet): N/A Manufacturer N/A



**CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	1,235	1,235
5/8"	Displacement	1.0	113	113
3/4"	Displacement	1.5	4	6
1"	Displacement	2.5	63	158
1 1/2"	Displacement or Turbine	5.0	16	80
2"	Displacement, Compound or Turbine	8.0	4	32
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 Water System Meter Equivalents				1,624

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

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

Use one of the following methods:

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

ERC Calculation:
ERC = 267,311 gallons, divided by
350 gallons per day
365 days
<u>2,092.5</u> ERC's

UTILITY NAME: Windstream Utilities Company  
 SYSTEM NAME / COUNTY: Windstream Utilities / Marion

**YEAR OF REPORT**  
**December 31, 2007**

**OTHER WATER SYSTEM INFORMATION**

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

1. Present ERC's * that system can efficiently serve.	<u>1700</u>
2. Maximum number of ERC's * which can be served.	<u>1700</u>
3. Present system connection capacity (in ERC's *) using existing lines.	<u>1700</u>
4. Future system connection capacity (in ERC's *) upon service area buildout.	<u>Approximatly 2500</u>
5. Estimated annual increase in ERC's * .	<u>Approximatly 100 over next three years</u>
6. Is the utility required to have fire flow capacity? If so, how much capacity is required?	<u>Yes - Marion County</u> <u>Minimum Marion County requirement: 500gpm x 2hrs</u>
7. Attach a description of the fire fighting facilities.	<u>High capacity pumping; Hydrants in some subdivisions</u>
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.	<u>None</u>
9. When did the company last file a capacity analysis report with the DEP?	<u>None</u>
10. If the present system does not meet the requirements of DEP rules:	
a. Attach a description of the plant upgrade necessary to meet the DEP rules.	<u>N/A</u>
b. Have these plans been approved by DEP?	<u>N/A</u>
c. When will construction be	<u>N/A</u>
d. Attach plans for funding the required upgrading.	
e. Is this system under any Consent Order of the DEP?	<u>No</u>
11. Department of Environmental Protection ID #	<u>Windstream: 2-083-0045N; Majestic Oaks: 209360.01; Sun Country: 206619</u>
12. Water Management District Consumptive Use Permit #	<u>Windstream:3424645; Majestic Oaks:6424678; Sun Country:6424618</u>
a. Is the system in compliance with the requirements of the CUP?	<u>Yes</u>
b. If not, what are the utility's plans to gain compliance?	<u>N/A</u>

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

# **WASTEWATER OPERATION SECTION**

Note: The Company provides water service only; therefore, Pages S-1 through S-14 have been omitted

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

**Company: Windstream Utilities Company**

**For the Year Ended December 31, 2007**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues per Sch. F-3	Gross Water Revenues per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ -	\$ -	\$ -
Total Metered Sales ((461.1 - 461.5)	554,049	555,324	(1,275)
Total Fire Protection Revenue (462.1 - 462.2)	1,920	960	960
Other Sales to Public Authorities (464)	-	-	-
Sales to Irrigation Customers (465)	-	-	-
Sales for Resale (466)	-	-	-
Interdepartmental Sales (467)	-	-	-
Total Other Water Revenues (469 - 474)	5,370	5,030	340
<b>Total Water Operating Revenue</b>	<b>\$ 561,339</b>	<b>\$ 561,314</b>	<b>\$ 25</b>
<b>LESS: Expense for Purchased Water from FPSC-Regulated Utility</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Water Operating Revenues</b>	<b>\$ 561,339</b>	<b>\$ 561,314</b>	<b>\$ 25</b>

**Explanations:**

Revenues misclassified as to type on the 12/31/2007 RAF return; \$25 misclassified as CIAC reclassified to miscellaneous service revenue. Immaterial effect, amended RAF return will not be filed.

**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).