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FLORIDA PUBLIC SERVICE
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CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WU779-06-AR
Pinecrest Ranches, Inc.
P. O. Box 2427
Bartow, FL 33831-2427

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Sources of Supply and Water Treatment Facilities	W-6
General Water System Information	W-7
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Treatment Plant, Pumps and Pumping Wastewater Statistics	S-5
General Wastewater System Information	S-6
VERIFICATION SECTION	PAGE
Verification	V-1

FINANCIAL SECTION

REPORT OF

Pinecrest Ranches, Inc.

(EXACT NAME OF UTILITY)

P.O. Box 2427
Bartow, Florida 33883

Citrus Highlands Drive, West
Bartow, Florida Polk County

Mailing Address Street Address County

Telephone Number (863) 537-1411 Date Utility First Organized 1987
Fax Number (863) 537-4398 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: Norman Duncan
6115 St. Rd. 60, East, Bartow, Florida 33830 863-537-1411

Name of subdivisions where services are provided: Citrus Highlands and Star Terrace

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Norman Duncan	President	P.O. Box 2427 Bartow, Florida 33831	None
Person who prepared this report: Cheryl M. Martin	Certified Public Accountant	19200 Hwy 27 Lake Wales, Florida 33853	
Officers and Managers:			\$
			\$
			\$
			\$
			\$

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
Norman Duncan	50%	P.O. Box 2427 Bartow, Florida 33831	\$ None
Richard Little	50%	6215 Dale Street Cass City, MI 48726	\$ None
			\$
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 36,986	\$ _____	\$ _____	\$ 36,986
Commercial_____		_____	_____	_____	_____
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues__		_____	_____	_____	_____
Other (Specify)_____	*	<u>2,145</u>	_____	_____	<u>2,145</u>
Total Gross Revenue__		<u>\$ 39,131</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 39,131</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 68,620	\$ _____	\$ _____	\$ 68,620
Depreciation Expense_____	F-5	6,060	_____	_____	6,060
CIAC Amortization Expense__	F-8	(56)	_____	_____	(56)
Taxes Other Than Income__	F-7	4,634	_____	_____	4,634
Income Taxes_____	F-7	0	_____	_____	0
Total Operating Expense		<u>\$ 79,258</u>	<u>_____</u>	<u>_____</u>	<u>\$ 79,258</u>
Net Operating Income (Loss)		<u>\$ (40,127)</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ (40,127)</u>
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ 0
Interest Income_____		_____	_____	_____	0
Collection Allowance		45	_____	_____	45
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ 0
Interest Expense_____		9,579	_____	_____	9,579
Other Amortization Exp_____		_____	_____	_____	0
Loss on Asset Disposal__		_____	_____	_____	0
Net Income (Loss)		<u>\$ (49,661)</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ (49,661)</u>

* \$717 late fees, \$575 visitation fees, \$405 reconnection fees, \$319 connection fees, \$5 cut-off, \$124 other.

COMPARATIVE BALANCE SHEET

WATER AND WASTEWATER

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 196,246	\$ 196,246
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	(116,021)	(109,961)
 Net Utility Plant -----		 \$ 80,225	 \$ 86,285
 Cash -----		 930	 0
Customer Accounts Receivable (141) -----		769	4,762
Other Assets (Specify): -----		0	0
Water system franchise		819	819
Unamortized expenses		0	0
Loan Costs (Net of amortization)		0	543
Employee Loan Receivable		100	

 Total Assets -----		 \$ 82,843	 \$ 92,409
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	20	20
Preferred Stock Issued (204) -----	F-6	0	0
Other Paid in Capital (211) -----		31,395	31,395
Retained Earnings (215) -----	F-6	(149,775)	(100,114)
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
 Total Capital -----		 \$ (118,360)	 \$ (68,699)
Long Term Debt (224) -----	F-6	\$ 148,456	\$ 107,094
Accounts Payable (231) -----		44,175	49,856
Notes Payable (232) -----		0	0
Customer Deposits (235) -----		0	0
Accrued Taxes (236) -----		0	0
Other Liabilities -----		7,270	2,800
Transfers -----		0	0
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	1,302	1,358
 Total Liabilities and Capital -----		 \$ 82,843	 \$ 92,409

UTILITY NAME: Pinecrest Ranches, Inc.

YEAR OF REPORT DECEMBER 31, 2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service	\$ 196,246	\$ 0	\$ 0	\$ 196,246
----- Construction Work in -----	_____	0	0	0
Other (Specify) ----- _____ _____	_____ _____	_____ _____	_____ _____	_____ _____
Total Utility Plant -----	\$ 196,246	\$ 0	\$ 0	\$ 196,246

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year -----	\$ 109,961	\$ 0	\$ 0	\$ 109,961
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account -----	\$ 6,060	\$ 0	\$ 0	\$ 6,060
Salvage -----	_____	_____	_____	_____
Other Credits (specify) -----	_____	_____	_____	_____
Total Credits -----	\$ 6,060	\$ 0	\$ 0	\$ 6,060
<u>Deduct Debits During Year:</u>				
Book cost of plant retired -----	\$ _____	\$ _____	\$ _____	\$ 0
Cost of removal -----	_____	_____	_____	_____
Other debits (specify) -----	_____	_____	_____	_____
_____	0	_____	_____	0
Total Debits -----	\$ 0	\$ 0	\$ _____	\$ 0
Balance End of Year -----	\$ 116,021	\$ 0	\$ 0	\$ 116,021

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	N/A
Shares authorized _____	100	
Shares issued and outstanding _____	20	
Total par value of stock issued _____	20	
Dividends declared per share for year _____	0	

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ N/A	\$ (100,114)
Changes during the year (Specify):		
Net Profit or (Loss) _____		(49,661)
Adjustment for ownership change _____		0

Balance end of year _____	\$ _____	\$ (149,775)

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ N/A	\$ N/A
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	
CenterState Bank \$653.33/mo P&I _____	7.5%	12	\$ 57,979
Richard Little _____	6.0%	300	45,702
Water Supply Co. _____	4.71%	0	44,775
Total _____			\$ 148,456

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_____	_____	_____	_____	_____
Local property tax_____	1,865	_____	_____	1,865
Regulatory assessment fee_____	2,769	0	_____	2,769
Other (Specify)_____	_____	0	_____	0
State & Federal payroll tax	_____	_____	_____	0
Public Service Tax	_____	_____	_____	0
Corporate annual report	_____	0	_____	0
Licenses_____	_____	0	_____	0
Total Taxes Accrued_____	\$ 4,634	\$ 0	\$ _____	\$ 4,634

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

<p>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.</p>			
Name of Recipient	Water Amount	Wastewater Amount	Description of Service
Walter L. Messer	\$ 4,760	\$ _____	Testing, maintenance & operation
Cheryl M. Martin, CPA	\$ 3,657	\$ _____	Accounting
Norman Duncan Enterprises	\$ 9,600	\$ _____	Management
Norman Duncan	\$ 800	\$ _____	Consulting
Water Supply Co.	\$ 1,727	\$ _____	Maint, accounting, management
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 1,675	\$ 0	\$ 1,675
2) Add credits during year _____	\$ _____	\$ _____	\$ 0
3) Total _____	1,675	0	1,675
4) Deduct charges during the year _____	_____	_____	0
5) Balance end of year _____	1,675	0	1,675
6) Less Accumulated Amortization _____	(373)	0	(373)
7) Net CIAC _____	\$ 1,302	\$ 0	\$ 1,302

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
N/A _____ _____ _____ _____ _____	N/A _____ _____ _____ _____ _____	N/A _____ _____ _____ _____ _____	N/A _____ _____ _____ _____ _____
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	
N/A _____ _____ _____	N/A _____ _____ _____	\$ N/A _____ _____ _____	\$ _____ _____ _____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ N/A _____ \$ N/A _____

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ (317)	\$ 0	\$ (317)
Add Credits During Year:	_____	0	0
Audit Adjustment _____	_____	_____	0
Deduct Debits During Year:	(56)	_____	(56)
Audit Adjustment _____	_____	_____	0
Balance End of Year (Must agree with line #6 above.) _____	\$ (373)	\$ 0	\$ (373)

**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_____	16,500			16,500
304	Structures and Improvements_____	3,000			3,000
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____	88,207			88,207
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____	14,432			14,432
310	Power Generation Equipment_____				0
311	Pumping Equipment_____	17,874			17,874
320	Water Treatment Equipment_____	1,439			1,439
330	Distribution Reservoirs and Standpipes_____	15,144			15,144
331	Transmission and Distribution Lines_____	27,106			27,106
333	Services_____	3,358			3,358
334	Meters and Meter Installations_____	8,520			8,520
335	Hydrants_____	0			0
339	Other Plant and Miscellaneous Equipment_____	499			499
340	Office Furniture and Equipment_____	167			167
341	Transportation Equipment_____				0
342	Stores Equipment_____				
343	Tools, Shop and Garage Equipment_____				0
344	Laboratory Equipment_____				
345	Power Operated Equipment_____				
346	Communication Equipment_____				
347	Miscellaneous Equipment_____				
348	Other Tangible Plant_____				
	Total Water Plant_____	\$ 196,246	\$ 0	\$ 0	\$ 196,246

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	28	0 %	3.57 %	\$ 1,669		\$ 107	\$ 1,776
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	0 %	3.7 %	55,955		3,267	59,222
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains	32	0 %	3.12 %	8,532		451	8,983
310	Power Generating Equipment	17	0 %	5.88 %				
311	Pumping Equipment	17	0 %	5.88 %	15,435		490	15,925
320	Water Treatment Equipment	7	0 %	14.29 %	1,439			1,439
330	Distribution Reservoirs & Standpipes	33	0 %	3.03 %	8,718		459	9,177
331	Trans. & Dist. Mains	38	0 %	2.63 %	13,493		713	14,206
333	Services	35	0 %	2.85 %	1,631		96	1,727
334	Meter & Meter Installations	17	0 %	5.88 %	2,582		441	3,023
335	Hydrants	40	0 %	2.5 %				
339	Other Plant and Miscellaneous Equipment	20	0 %	5 %	466		25	491
340	Office Furniture and Equipment	15	0 %	6.67 %	41		11	52
341	Transportation Equipment	6	0 %	16.67 %				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment	15	0 %	6.67 %				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 109,961	\$ 0	\$ 6,060	\$ 116,021 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees - Leased -----	\$ 14,401
603	Salaries and Wages - Officers, Directors, and Majority Stockholders -----	-----
604	Employee Pensions and Benefits -----	-----
610	Purchased Water -----	-----
615	Purchased Power -----	2,974
616	Fuel for Power Production -----	-----
618	Chemicals -----	-----
620	Materials and Supplies -----	2,359
630	Contractual Services:	-----
	Billing -----	10,400
	Professional -----	3,657
	Testing -----	1,749
	Other -----	4,933
640	Rents -----	17,398
650	Transportation Expense -----	30
655	Insurance Expense -----	4,063
665	Regulatory Commission Expenses (Amortized Rate Case Expense) -----	-----
670	Bad Debt Expense -----	2,883
675	Miscellaneous Expenses -----	3,773
	Total Water Operation And Maintenance Expense -----	\$ 68,620 *

* 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	144	144	144
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"	D	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	-----	-----	-----
Other (Specify): ----- -----	----- -----	----- -----	----- -----	----- -----	----- -----
Unmetered Customers			-----	-----	-----
** D = Displacement C = Compound T = Turbine			Total	144	144
			144	144	144

SYSTEM NAME: _____

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 _____	N/A	895	150	745	565
February _____	N/A	820	255	565	516
March _____	N/A	1,167	230	937	539
April _____	N/A	1,075	222	853	696
May _____	N/A	1,349	253	1,096	797
June _____	N/A	1,033	261	772	666
July _____	N/A	1,041	220	821	685
August _____	N/A	1,101	190	911	712
September _____	N/A	1,100	173	927	674
October _____	N/A	1,080	126	954	652
November _____	N/A	982	146	836	634
December _____	N/A	919	153	766	691
Total for Year _____	N/A	<u>12,562</u>	<u>2,379</u>	<u>10,183</u>	<u>7,827</u>

If water is purchased for resale, indicate the following:

Vendor _____ N/A

Point of delivery _____ N/A

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

N/A

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	2"	500	0	0	500
PVC	3"	6,300	0	0	6,300
PVC	4"	3,210	0	0	3,210
PVC	6"	5,025	0	0	5,025
DI	4"	20	0	0	20
Fire Hydrants		9		0	9

UTILITY NAME: Pinecrest Ranches, Inc.

YEAR OF REPORT DECEMBER 31, 2006

SYSTEM NAME: _____

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

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1986</u>	<u>1989</u>	N/A	N/A
Types of Well Construction and Casing _____	Rotary Grouted BT&C Steel	Rotary Grouted BT&C Steel		
Depth of Wells _____	190'	405"		
Diameters of Wells _____	4"	6"		
Pump - GPM _____	75	350		
Motor - HP _____	5	25		
Motor Type * _____	Submersible	Submersible		
Yields of Wells in GPD _____	180,000	504,000		
Auxiliary Power _____	N/A	Onsite		
* Submersible, centrifugal, etc.		* Rental		

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	<u>Steel</u>	N/A	N/A	N/A
Capacity of Tank _____	6,000 Gal			
Ground or Elevated _____	Ground			

HIGH SERVICE PUMPING

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

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Gals. per day of source_	101,510	N/A	N/A
Type of Source_	Ground		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_	Hydrochlorination	N/A	N/A
Make_	Hydropneumatic tank		
Gals. per day capacity_	264,000		
High service pumping			
Gallons per minute_	N/A		
Reverse Osmosis_	N/A		
Lime Treatment			
Unit Rating_	N/A		
Filtration			
Pressure Sq. Ft._	N/A		
Gravity GPD/Sq.Ft._			
Disinfection			
Chlorinator_	25 gpd		
Ozone_	N/A		
Other_	N/A		
Auxiliary Power_	Standby generator		

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- 1. Present ERCs * the system can efficiently serve. ___ 1084
- 2. Maximum number of ERCs * which can be served. ___ 1084
- 3. Present system connection capacity (in ERC's*) using existing lines. _____ 144
- 4. Future connection capacity (in ERC's*) upon service area buildout. _____ 166
- 5. Estimated annual increase in ERCs * _____ 23
- 6. Is the utility required to have fire flow capacity? _ X Yes, but in a separate system
If so, how much capacity is required? 3,500 Supply of 500 gpm @ hydrant
- 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. _____
- 9. When did the company last file a capacity analysis report with the DEP? _____ 2002
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plan 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. See attached statement.
 - e. Is this system under any Consent Order with DEP? _____ N/A
- 11. Department of Environmental Protection ID# _____ 6535079
- 12. Water Management District Consumptive Use Permit #20009128.002
 - a. Is the system in compliance with the requirements of the CUP? _____ YES
 - b. If not, what are the utility's plans to gain compliance? _____ N/A

* 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 (SFR) 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/280 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 NO 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 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 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 report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

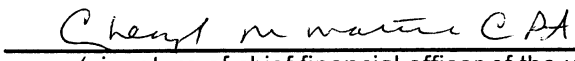
Items Certified

1. 2. 3. 4.

 *
(signature of chief executive officer of the utility)

Date: _____

1. 2. 3. 4.

 *
(signature of chief financial officer of the utility)

Date: 4/30/07

* 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

Class C

Company: *PINECREST, 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	\$ <u>36,986</u>	\$ <u>36,986</u>	\$ <u>- 0 -</u>
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	<u>2,145</u>	<u>2,102</u>	<u>43</u>
Total Water Operating Revenue	\$ <u>39,131</u>	\$ <u>39,088</u>	\$ <u>43</u>
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ <u>39,131</u>	\$ <u>39,088</u>	\$ <u>43</u>

Explanations:

Various year end adjustments.

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).