

**CLASS "C"**

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Public Service Commission  
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**WATER and/or WASTEWATER UTILITIES**

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

***ANNUAL REPORT***

**WU796-06-AR**

**NHC Utilities, Inc.**

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EXACT LEGAL NAME OF RESPONDENT

**573-W**

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Certificate Number(s)

*Submitted To The*

***STATE OF FLORIDA***



07/15/06 09:19:19  
07/15/06 09:19:19

***PUBLIC SERVICE COMMISSION***

**FOR THE**

**YEAR ENDED DECEMBER 31, 2006**

***Cronin, 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.*  
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March 12, 2007

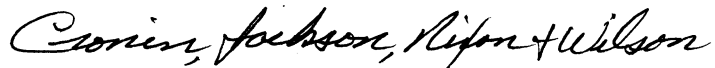
Officers and Directors  
NHC Utilities, Inc.

We have compiled the balance sheet of NHC Utilities, Inc. as of December 31, 2006 and 2005, and the statements of income and retained earnings for the year ended December 31, 2006, 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 NHC Utilities, Inc. 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 NHC Utilities, Inc..

  
CRONIN, JACKSON, NIXON & WILSON

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# **FINANCIAL SECTION**

REPORT OF

NHC Utilities, Inc.  
(Exact name of utility)

|                           |              |                              |           |
|---------------------------|--------------|------------------------------|-----------|
| Two North Riverside Plaza |              | 3737 El Jobean Road          |           |
| Chicago, IL 60606         |              | Port Charlotte, FL 33953     | Charlotte |
| Mailing Address           |              | Street Address               | County    |
| Telephone Number          | 305-242-7127 | Date Utility First Organized | 12/96     |

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

- Individual   
  Sub Chapter S Corporation   
  1120 Corporation   
  Partnership

Location where books and records are located: Two North Riverside Plaza  
Chicago, IL 60606

Names of subdivisions where service is provided: \_\_\_\_\_

CONTACTS:

| Name  | Title                   | Principle Business Address                       | Salary Charged Utility |
|---|-------------------------|--|------------------------|
| Person to send correspondence:<br>Robert C. Nixon                   | CPA                     | 2560 Gulf-to-Bay Blvd.<br>Clearwater, Fla. 33765 |                        |
| Person who prepared this report:<br>Cronin, Jackson, Nixon & Wilson | CPA's                   | 2560 Gulf-to-Bay Blvd.<br>Clearwater, FL 33765   |                        |
| Officers and Managers:<br>Don Barton                                | General manager         | 2210 N. Tamiami Trail, N Ft Myers FL             | None                   |
| Roger Maynard   | Regional Vice President | 28050 US 19 N, Clearwater, FL                    | None                   |
|   |                         |  |                        |
|   |                         |  |                        |
|   |                         |  |                        |

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 |
|---------|------------------------------|--|------------------------|
| LEMB LP | 100%                         | Two North Riverside Plaza<br>Chicago, IL 60606 | None                   |
|         |                              |  |                        |
|         |                              |  |                        |
|         |                              |  |                        |
|         |                              |  |                        |

**INCOME STATEMENT**

| Account Name                                      | Ref. Page  | Water       | Wastewater | Other (1) | Total Company |
|---|------------|-------------|------------|-----------|---------------|
| Gross Revenue:                                    |            |             |            |           |               |
| Residential _____                                 |            | \$ 163,745  | N/A        | N/A       | \$ 163,745    |
| Commercial _____                                  |            |             |            |           | -             |
| Industrial _____                                  |            |             |            |           | -             |
| Multiple Family _____                             |            |             |            |           | -             |
| Guarenteed Revenues _____                         |            |             |            |           | -             |
| Other (Specify) _____                             |            |             |            |           | -             |
| Total Gross Revenue _____                         |            | 163,745     | -          | -         | 163,745       |
| Operation Expense (Must tie to Pages W-3 and S-3) | W-3<br>S-3 | 156,095     | -          |           | 156,095       |
| Depreciation Expense _____                        | F-5        | 18,024      | -          |           | 18,024        |
| CIAC Amortization Expense _____                   | F-8        | (3,302)     | -          |           | (3,302)       |
| Taxes Other Than Income _____                     | F-7        | 10,201      | -          | -         | 10,201        |
| Income Taxes _____                                | F-7        | -           | -          |           | -             |
| Total Operating Expenses _____                    |            | 181,018     | -          |           | 181,018       |
| Net Operating Income (Loss)                       |            | (17,273)    | -          | -         | (17,273)      |
| Other Income:                                     |            |             |            |           |               |
| Nonutility Income _____                           |            |             |            |           | -             |
| Interest Income _____                             |            | -           | -          |           | -             |
| _____   |            |             |            |           | -             |
| Other Deductions:                                 |            |             |            |           |               |
| Miscellaneous Nonutility Expenses _____           |            | 33          | -          |           | 33            |
| Interest Expense _____                            |            | -           | -          |           | -             |
| AFUDC _____                                       |            | -           | -          |           | -             |
| _____   |            |             | -          |           | -             |
| _____   |            |             | -          |           | -             |
| Net Income (Loss)                                 |            | \$ (17,306) | N/A        | N/A       | \$ (17,306)   |

**COMPARATIVE BALANCE SHEET**

| Account Name   | Reference Page | Current Year      | Previous Year     |
|--|----------------|-------------------|-------------------|
| <b>ASSETS:</b>   |                |                   |                   |
| Utility Plant In Service (101 - 105) _____                         | F-5, W-1, S-1  | \$ 562,573        | \$ 562,573        |
| Accumulated Depreciation and Amortization (108) _____              | F-5, W-2, S-2  | (356,231)         | (338,207)         |
| Net Utility Plant _____  |                | 206,342           | 224,366           |
| Cash _____   |                | 34,945            | 34,945            |
| Customer Accounts Receivable (141) _____                           |                |                   |                   |
| Other Assets (Specify):  |                |                   |                   |
| Due from LEMB _____  |                | 120,988           | 122,023           |
| Prepaid FIT _____  |                | -                 | -                 |
|  |                |                   |                   |
|  |                |                   |                   |
| Total Assets _____   |                | <u>\$ 362,275</u> | <u>\$ 381,334</u> |
| <b>LIABILITIES AND CAPITAL:</b>                                    |                |                   |                   |
| Common Stock Issued (201) _____                                    | F-6            | \$ 1,000          | \$ 1,000          |
| Preferred Stock Issued (204) _____                                 | F-6            | -                 | -                 |
| Other Paid In Capital (211) _____                                  |                | 295,337           | 295,337           |
| Retained Earnings (215) _____                                      | F-6            | 7,868             | 25,174            |
| Proprietary Capital (Proprietary and partnership only) (218) _____ | F-6            | -                 | -                 |
| Total Capital _____  |                | 304,205           | 321,511           |
| Long Term Debt (224) _____   | F-6            |                   |                   |
| Accounts Payable (231) _____                                       |                |                   |                   |
| Notes Payable (232) _____  |                |                   |                   |
| Customer Deposits (235) _____                                      |                |                   |                   |
| Accrued Taxes (236) _____  | F-7            | 7,368             | 5,819             |
| Other Liabilities (Specify):                                       |                |                   |                   |
|  |                |                   |                   |
|  |                |                   |                   |
|  |                |                   |                   |
| Advances For Construction (252) _____                              |                |                   |                   |
| Contributions In Aid Of Construction - Net (271 - 272) _____       | F-8            | 50,702            | 54,004            |
| Total Liabilities and Capital _____                                |                | <u>\$ 362,275</u> | <u>\$ 381,334</u> |

**GROSS UTILITY PLANT**

| <b>Plant Accounts:<br/>(101 - 107) Inclusive</b> | <b>Water</b>      | <b>Sewer</b> | <b>Plant Other<br/>Than<br/>Reporting<br/>Systems</b> | <b>Total</b>      |
|--|-------------------|--------------|---|-------------------|
| Utility Plant In Service<br>(101) _____          | \$ 562,573        | N/A          | N/A   | \$ 562,573        |
| Construction Work In<br>Progress (105) _____     |                   |              |   | -                 |
| Other (Specify) _____                            |                   | -            |   | -                 |
| _____  | -                 |              |   | -                 |
| <b>Total Utility Plant</b> _____                 | <b>\$ 562,573</b> | <b>N/A</b>   | <b>N/A</b>  | <b>\$ 562,573</b> |

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

| <b>Account 108</b>                                | <b>Water</b>      | <b>Wastewater</b> | <b>Other Than<br/>Reporting<br/>Systems</b> | <b>Total</b>      |
|---|-------------------|-------------------|---|-------------------|
| Balance First Of Year _____                       | \$ 338,207        | \$ -              | N/A   | \$ 338,207        |
| <b>Add Credits During Year:</b>                   |                   |                   |   |                   |
| Accruals charged to<br>depreciation account _____ | 18,024            | -                 |   | 18,024            |
| Salvage _____                                     | -                 | -                 |   | -                 |
| Other credits (specify) _____                     | -                 | -                 |   | -                 |
| _____   |                   |                   |   | -                 |
| <b>Total credits</b> _____                        | <b>18,024</b>     |                   |   | <b>18,024</b>     |
| <b>Deduct Debits During Year:</b>                 |                   |                   |   |                   |
| Book cost of plant<br>retired _____               | -                 | -                 |   | -                 |
| Cost of removal _____                             | -                 |                   |   | -                 |
| Other debits (specify) _____                      |                   |                   |   |                   |
| _____   |                   |                   |   |                   |
| <b>Total debits</b> _____                         | <b>-</b>          | <b>-</b>          |   | <b>-</b>          |
| <b>Balance End of Year</b> _____                  | <b>\$ 356,231</b> | <b>N/A</b>        | <b>N/A</b>                                  | <b>\$ 356,231</b> |



**CAPITAL STOCK (201 - 204)**

|   | Common Stock | Preferred Stock |
|---|--------------|-----------------|
| Par or stated value per share _____         | \$ 10.00     | N/A             |
| Shares authorized _____                     | 100          |                 |
| Shares issued and outstanding _____         | 100          |                 |
| Total par value of stock issued _____       | 1,000        |                 |
| Dividends declared per share for year _____ | -            |                 |

**RETAINED EARNINGS (215)**

|   | Appropriated | Un-Appropriated |
|---|--------------|-----------------|
| Balance first of year _____                                   | N/A          | \$ 25,174       |
| Charges during the year (specify):<br>Current Year Loss _____ | -            | (17,306)        |
| Balance end of year _____                                     | \$           | \$ 7,868        |

**PROPRIETARY CAPITAL (218)**

|   | Proprietor or Partner | Partner |
|---|-----------------------|---------|
| Balance first of year _____                                     | N/A                   | N/A     |
| Charges during the year (specify):<br>Current year income _____ |                       | -       |
| 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 Payments |                                  |
| _____  | ____%    | _____         | \$ -                             |
| _____  | ____%    | _____         | -                                |
| _____  | ____%    | _____         | -                                |
| _____  | ____%    | _____         | -                                |
| Total _____  |          |               | N/A                              |

**TAX EXPENSE**

| (a)                             | WATER<br>(b) | SEWER<br>(c) | OTHER<br>(d) | TOTAL<br>(e) |
|---------------------------------|--------------|--------------|--------------|--------------|
| Income Taxes:                   |              |              |              |              |
| Federal income tax _____        | \$ -         | N/A          | N/A          | \$ -         |
| State income tax _____          | -            | -            |              |              |
| Taxes Other Than Income:        |              |              |              |              |
| State ad valorem tax _____      | -            | -            |              |              |
| Local property tax _____        | 2,832        | -            |              | 2,832        |
| Regulatory assessment fee _____ | 7,369        |              |              | 7,369        |
| Other (Specify): _____          | -            |              |              |              |
|                                 |              |              |              |              |
|                                 |              |              |              |              |
|                                 |              |              |              |              |
| Total taxes accrued _____       | \$ 10,201    |              |              | \$ 10,201    |

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar 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       |
|-------------------------------|--------------|-------------------|------------------------------|
| Cronin Jackson Nixon & Wilson | \$ 5,653     | \$ -              | Accounting Services          |
| LEMB, LP                      | 33,217       |                   | Management, Labor, Insurance |
| LEMB, LP                      | 4,800        |                   | Rent                         |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |
|                               |              |                   |                              |

UTILITY NAME: NHC Utilities, Inc.

**YEAR OF REPORT**  
December 31, 2006

**CONTRIBUTIONS IN AID OF CONSTRUCTION (271)**

| (a)                                    | Water<br>(b) | Wastewater<br>(c) | TOTAL<br>(d) |
|--|--------------|-------------------|--------------|
| 1. Balance first of year _____         | \$ 102,221   | N/A               | \$ 102,221   |
| 2. Add credits during year:            |              |                   |              |
| _____                                  | -            | -                 |              |
| 3. Total _____                         |              |                   | -            |
| 4. Deduct charges during year _____    |              |                   | -            |
| 5. Balance end of year _____           | 102,221      |                   | 102,221      |
| 6. Less Accumulated Amortization _____ | (51,519)     |                   | (51,519)     |
| 7. Net CIAC _____                      | \$ 50,702    |                   | \$ 50,702    |

**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<br>"Cash" or<br>"Property" | Water | Wastewater |
|--|-----------------------|-------------------------------------|-------|------------|
| _____  |                       |                                     | \$ -  | \$ -       |
| _____  |                       |                                     |       |            |
| _____  |                       |                                     |       |            |
| _____  |                       |                                     |       |            |
| Sub-total _____  |                       |                                     | NONE  | NONE       |
| Report below all capacity charges, main extension charges and customer connections charges received during the year. |                       |                                     |       |            |
| Description of Charge  | Number of Connections | Charge per Connection               |       |            |
| None   |                       |                                     |       |            |
| _____  |                       |                                     |       |            |
| _____  |                       |                                     |       |            |
| _____  |                       |                                     |       |            |
| Total Credits During Year (Must agree with line # 2 above) _____   |                       |                                     | \$ -  | \$ -       |

**ACCUMULATED AMORTIZATION OF CIAC**

|   | Water     | Wastewater | Total     |
|---|-----------|------------|-----------|
| Balance First of Year _____                               | \$ 48,217 | N/A        | \$ 48,217 |
| Add Debits During Year: _____                             |           | -          |           |
| _____   | -         | -          |           |
| Deduct Credits During Year: _____                         | 3,302     | -          | 3,302     |
| Balance End of Year (Must agree with line #6 above) _____ | \$ 51,519 | \$ -       | \$ 51,519 |

UTILITY NAME: NHC Utilities, Inc.

|  |
|--|
| <b>YEAR OF REPORT</b><br>December 31, 2006 |
|--|

**SCHEDULE "A"**

**SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)**

| CLASS OF CAPITAL<br>(a)     | Dollar<br>Amount (1)<br>(b) | Percentage<br>of<br>Capital<br>0 | Actual<br>Cost<br>Rates<br>(d) | Weighted<br>Cost<br>[c x d]<br>(e) |
|-----------------------------|-----------------------------|----------------------------------|--------------------------------|------------------------------------|
| Common Equity               | _____                       | _____ %                          | _____ %                        | _____ %                            |
| Preferred Stock             | -                           | - %                              | - %                            | - %                                |
| Long Term Debt              | -                           | - %                              | - %                            | - %                                |
| Customer Deposits           | -                           | - %                              | - %                            | - %                                |
| Tax Credits - Zero Cost     | -                           | - %                              | - %                            | - %                                |
| Tax Credits - Weighted Cost | -                           | - %                              | - %                            | - %                                |
| Deferred Income Taxes       | -                           | - %                              | - %                            | - %                                |
| Other (Explain)             | -                           | - %                              | - %                            | - %                                |
| <b>Total</b>                | <b>\$ -</b>                 | <b>_____ %</b>                   |                                | <b>- %</b>                         |

- (1) Should equal amounts on schedule B, Column (f), Page F-10.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

**APPROVED AFUDC RATE**

|   |
|---|
| Current Commission approved AFUDC rate: _____ <b>None</b> % |
| Commission order approving AFUDC rate: _____                |



**WATER  
OPERATION  
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 _____                    | -                 | -             | -               | -                |
| 304           | Structure and Improvements _____              | 8,065             | -             | -               | 8,065            |
| 305           | Collecting and Impounding Reservoirs _____    | -                 | -             | -               | -                |
| 306           | Lake, River and Other Intakes _____           | -                 | -             | -               | -                |
| 307           | Wells and Springs _____                       | -                 | -             | -               | -                |
| 308           | Infiltration Galleries and Tunnels _____      | -                 | -             | -               | -                |
| 309           | Supply Mains _____                            | 220,052           | -             | -               | 220,052          |
| 310           | Power Generation Equipment _____              | -                 | -             | -               | -                |
| 311           | Pumping Equipment _____                       | -                 | -             | -               | -                |
| 320           | Water Treatment Equipment _____               | 155,412           | -             | -               | 155,412          |
| 330           | Distribution Reservoirs and Standpipes _____  | 129,830           | -             | -               | 129,830          |
| 331           | Transmission and Distribution Mains _____     | -                 | -             | -               | -                |
| 333           | Services _____                                | 33,275            | -             | -               | 33,275           |
| 334           | Meters and Meter Installations _____          | 902               | -             | -               | 902              |
| 335           | Hydrants _____                                | 9,935             | -             | -               | 9,935            |
| 339           | Other Plant and Miscellaneous Equipment _____ | -                 | -             | -               | -                |
| 340           | Office Furniture and Equipment _____          | 5,102             | -             | -               | 5,102            |
| 341           | Transportation Equipment _____                | -                 | -             | -               | -                |
| 342           | Stores Equipment _____                        | -                 | -             | -               | -                |
| 343           | Tools, Shop and Garage Equipment _____        | -                 | -             | -               | -                |
| 344           | Laboratory Equipment _____                    | -                 | -             | -               | -                |
| 345           | Power Operated Equipment _____                | -                 | -             | -               | -                |
| 346           | Communication Equipment _____                 | -                 | -             | -               | -                |
| 347           | Miscellaneous Equipment _____                 | -                 | -             | -               | -                |
| 348           | Other Tangible Plant _____                    | -                 | -             | -               | -                |
|               | Total Water Plant _____                       | \$ 562,573        | \$ -          | \$ -            | \$ 562,573       |

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

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

| ACCT. NO. (a) | ACCOUNT NAME (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) |
|---------------|---|-----------------------------------|--------------------------------|------------------------|--|------------|-------------|--|
| 301           | Organization                            | 40                                | %                              | 2.50                   | \$ -   | \$ -       | \$ -        | \$ -   |
| 302           | Franchises                              | -                                 | %                              | -                      | -  | -          | -           | -  |
| 304           | Structure and Improvements              | 40                                | %                              | 2.50                   | 7,456  | -          | 403         | 7,859  |
| 305           | Collecting and Impounding Reservoirs    | -                                 | %                              | -                      | -  | -          | -           | -  |
| 306           | Lake, River and Other Intakes           | -                                 | %                              | -                      | -  | -          | -           | -  |
| 307           | Wells and Springs                       | 27                                | %                              | 3.70                   | -  | -          | -           | -  |
| 308           | Infiltration Galleries and Tunnels      | -                                 | %                              | -                      | -  | -          | -           | -  |
| 309           | Supply Mains                            | 32                                | %                              | 3.13                   | 101,771  | -          | 5,502       | 107,273  |
| 310           | Power Generation Equipment              | 17                                | %                              | 5.88                   | -  | -          | -           | -  |
| 311           | Pumping Equipment                       | 17                                | %                              | 5.88                   | -  | -          | -           | -  |
| 320           | Water Treatment Equipment               | 17                                | %                              | 5.88                   | 143,761  | -          | 7,771       | 151,532  |
| 330           | Distribution Reservoirs and Standpipes  | 30                                | %                              | 3.33                   | 60,049   | -          | 3,245       | 63,294   |
| 331           | Transmission and Distribution Mains     | 38                                | %                              | 2.63                   | -  | -          | -           | -  |
| 333           | Services                                | 35                                | %                              | 2.86                   | 15,391   | -          | 832         | 16,223   |
| 334           | Meters and Meter Installations          | 12                                | %                              | 8.33                   | 85   | -          | 23          | 108  |
| 335           | Hydrants                                | 40                                | %                              | 2.50                   | 4,592  | -          | 248         | 4,840  |
| 339           | Other Plant and Miscellaneous Equipment | 20                                | %                              | 5.00                   | -  | -          | -           | -  |
| 340           | Office Furniture and Equipment          | 10                                | %                              | 10.00                  | 5,102  | -          | -           | 5,102  |
| 341           | Transportation Equipment                | 5                                 | %                              | 20.00                  | -  | -          | -           | -  |
| 342           | Stores Equipment                        | -                                 | %                              | -                      | -  | -          | -           | -  |
| 343           | Tools, Shop and Garage Equipment        | 10                                | %                              | 10.00                  | -  | -          | -           | -  |
| 344           | Laboratory Equipment                    | -                                 | %                              | -                      | -  | -          | -           | -  |
| 345           | Power Operated Equipment                | -                                 | %                              | -                      | -  | -          | -           | -  |
| 346           | Communication Equipment                 | -                                 | %                              | -                      | -  | -          | -           | -  |
| 347           | Miscellaneous Equipment                 | -                                 | %                              | -                      | -  | -          | -           | -  |
| 348           | Other Tangible Plant                    | 5                                 | %                              | 20.00                  | -  | -          | -           | -  |
|               | Totals                                  |                                   |                                |                        | \$ 338,207   | \$ -       | \$ 18,024   | \$ 356,231                                     |

\* 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 _____ | _____        |
| 604       | Employee Pensions and Benefits _____                                      | _____        |
| 610       | Purchased Water _____   | 105,256      |
| 615       | Purchased Power _____   | _____        |
| 616       | Fuel for Power Production _____   | _____        |
| 618       | Chemicals _____   | _____        |
| 620       | Materials and Supplies _____  | 3,312        |
| 630       | Contractual Services:   |              |
|           | Billing _____   | _____        |
|           | Operator and Management _____   | 999          |
|           | Testing _____   | 5,258        |
|           | Other _____   | 35,870       |
| 640       | Rents _____   | 4,800        |
| 650       | Transportation Expense _____  | _____        |
| 655       | Insurance Expense _____   | _____        |
| 665       | Regulatory Commission Expenses (Amortized Rate Case Expense) _____        | _____        |
| 670       | Bad Debt Expense _____  | _____        |
| 675       | Miscellaneous Expenses _____  | 600          |
|           | Total Water Operation and Maintenance Expense _____                       | \$ 156,095 * |

\* This amount should tie to Sheet F-3.

**WATER CUSTOMERS**

| Description<br>(a)                                 | Type of Meter **<br>(b) | Equivalent Factor<br>(c) | Number of Active Customers |                    | Total Number of Meter Equivalents (c x e)<br>(f) |
|--|-------------------------|--------------------------|----------------------------|--------------------|--|
|  |                         |                          | Start of Year<br>(d)       | End of Year<br>(e) |  |
| Residential Service                                |                         |                          |                            |                    |  |
| 5/8"   | D                       | 1.0                      | 459                        | 459                | 459  |
| 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                     |                            |                    |  |
| Unmetered Customers                                |                         | 1.0                      |                            |                    |  |
| Other (Specify):                                   |                         |                          |                            |                    |  |
| ** D = Displacement<br>C = Compound<br>T = Turbine |                         |                          | Total                      | 459                | 459  |
|  |                         |                          |                            | 459                | 459  |

**PUMPING AND PURCHASED WATER STATISTICS**

| MONTH<br>(a)        | Water Purchased For Resale (Omit 000's)<br>(b) | Finished Water From Wells (Omit 000's)<br>(c) | Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)<br>(d) | Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]<br>(e) | Water Sold To Customers (Omit 000's)<br>(f) |
|---------------------|--|---|--|--|---|
| January_____        | 1,935  | -   | -  | 1,935  | 1,935                                       |
| February_____       | 1,758  | -   | -  | 1,758  | 1,758                                       |
| March_____          | 2,429  | -   | -  | 2,429  | 2,429                                       |
| April_____          | 2,841  | -   | -  | 2,841  | 2,841                                       |
| May_____            | 1,816  | -   | -  | 1,816  | 1,816                                       |
| June_____           | 944  | -   | -  | 944  | 944   |
| July_____           | 878  | -   | -  | 878  | 878   |
| August_____         | 1,339  | -   | -  | 1,339  | 1,339                                       |
| September_____      | 2,120  | -   | -  | 2,120  | 2,120                                       |
| October_____        | 2,010  | -   | -  | 2,010  | 2,010                                       |
| November_____       | 2,624  | -   | -  | 2,624  | 2,624                                       |
| December_____       | 2,282  | -   | -  | 2,282  | 2,282                                       |
| Total for year_____ | 22,976   | N/A   |  | 22,976   | 22,976                                      |

If water is purchased for resale, indicate the following:

Vendor Charlotte County Utilities  
 Point of Delivery Rothschild Ave

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MAINS (Feet)**

| Kind of Pipe (Cast Iron, coated steel, etc.) | Diameter of Pipe | First of Year | Added | Removed or Abandoned | End of Year |
|--|------------------|---------------|-------|----------------------|-------------|
| PVC  | 8"               | 10,420        |       | -                    | 10,420      |
| PVC  | 6"               | 5,470         |       | -                    | 5,470       |
| DR255CH900                                   | 12"              | 2,874         |       | -                    | 2,874       |
| Dr255DH900                                   | 8"               | 76            |       | -                    | 76          |
| CL51DIP                                      | 6"               | 6             |       | -                    | 6           |
|  |                  |               |       | -                    |             |
|  |                  |               |       | -                    |             |
|  |                  |               |       | -                    |             |

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

| (a)  | (b) | (c) | (d) | (e) |
|--|-----|-----|-----|-----|
| Year Constructed _____                         | N/A |     |     |     |
| Types of Well Construction<br>and Casing _____ |     |     |     |     |
| _____  |     |     |     |     |
| Depth of Wells _____                           |     |     |     |     |
| Diameters of Wells _____                       |     |     |     |     |
| Pump - GPM _____                               |     |     |     |     |
| Motor - HP _____                               |     |     |     |     |
| Motor Type * _____                             |     |     |     |     |
| Yeilds of Wells in GPD _____                   |     |     |     |     |
| Auxillary Power _____                          |     |     |     |     |
| * Submersable, centrifugal, etc.               |     |     |     |     |

**RESERVOIRS**

| (a)                                 | (b) | (c) | (d) | (e) |
|-------------------------------------|-----|-----|-----|-----|
| Description (steel, concrete) _____ | N/A |     |     |     |
| Capacity of Tank _____              |     |     |     |     |
| Ground of Elevated _____            |     |     |     |     |

**HIGH SERVICE PUMPING**

| (a)   | (b)  | (c) | (d) | (e) |
|---|------|-----|-----|-----|
| <b><u>MOTORS</u></b>                              |      |     |     |     |
| Manufacturer _____                                | None |     |     |     |
| Type _____  |      |     |     |     |
| Rated Horsepower _____                            |      |     |     |     |
| (a)   | (b)  | (c) | (d) | (e) |
| <b><u>PUMPS</u></b>                               |      |     |     |     |
| Manufacturer _____                                | None |     |     |     |
| Type _____  |      |     |     |     |
| Capacity in GPM _____                             |      |     |     |     |
| Average Number of Hours<br>Operated Per Day _____ |      |     |     |     |
| Auxiliary Power _____                             |      |     |     |     |

**SOURCE OF SUPPLY**

List for each source of supply (Ground, Surface, Purchased Water, etc):

|                                 |           |       |       |
|---------------------------------|-----------|-------|-------|
| Gallons per day of source _____ | 62,948    | _____ | _____ |
| Type of source _____            | Purchased | _____ | _____ |

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:

|   |       |       |       |
|---|-------|-------|-------|
| Type _____                                  | N/A   | _____ | _____ |
| Make _____                                  | _____ | _____ | _____ |
| Permitted Capacity (GPD)                    | _____ | _____ | _____ |
| High service pumping                        | _____ | _____ | _____ |
| Gallons per minute _____ See Page W-5 _____ | _____ | _____ | _____ |
| Reverse Osmosis _____                       | _____ | _____ | _____ |
| Lime treatment                              | _____ | _____ | _____ |
| Unit Rating _____                           | _____ | _____ | _____ |
| Filtration                                  | _____ | _____ | _____ |
| Pressure Sq. Ft. _____                      | _____ | _____ | _____ |
| Gravity GPD/Sq. Ft. _____                   | _____ | _____ | _____ |
| Disinfection                                | _____ | _____ | _____ |
| Chlorinator _____                           | _____ | _____ | _____ |
| Ozone _____                                 | _____ | _____ | _____ |
| Other _____                                 | _____ | _____ | _____ |
| Auxiliary Power _____                       | _____ | _____ | _____ |

**OTHER 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 ERC's * the system can efficiently serve   | 459                        |
| 2.  | Maximum number of ERC's * which can be served  | 459                        |
| 3.  | Present system connection capacity (in ERC's *) using existing lines   | 459                        |
| 4.  | Future connection capacity (in ERC's *) upon service area buildout   | 459                        |
| 5.  | Estimated annual increase in ERC's*  | None - System is built-out |
| 6.  | Is the utility required to have fire flow capacity?<br>If so, how much capacity is required?                   | No                         |
| 7.  | Attach a description of the fire fighting facilities   | Hydrants                   |
| 8.  | Describe any plans and estimated completion dates for any enlargements or improvements of this system.<br>None |                            |
| 9.  | When did the company last file a capacity analysis report with the DEP?  | None                       |
| 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 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 #  | None                       |
| 12. | Water Management District Consumptive Use Permit #   | None                       |
|     | a. Is the system in compliance with the requirements of the CUP?   | N/A                        |
|     | b. If not, what are the utility's plans to gain compliance?  | N/A                        |

\* An ERC is determined based on 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 available are available for use:  

$$ERC = (\text{Total SFR gallons sold (omit 000)} / 365 \text{ days} / 350 \text{ gallons per day}).$$

# **WASTEWATER OPERATION SECTION**

NHC Utilities provides water service only; therefore, Pages S-1 through S-6 have been omitted from this report.

UTILITY NAME: NHC Utilities, Inc.

**YEAR OF REPORT**  
December 31, 2006

# CERTIFICATION OF ANNUAL REPORT

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

- |              |           |  |
|--------------|-----------|--|
| YES<br>( X ) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System Of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.  |
| YES<br>( X ) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>( X ) | NO<br>( ) | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.  |
| YES<br>( X ) | NO<br>( ) | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

ITEMS CERTIFIED

|     |     |     |     |
|-----|-----|-----|-----|
| 1.  | 2.  | 3.  | 4.  |
| ( ) | ( ) | ( ) | ( ) |

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

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

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

*Vice President*

\* 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: NHC Utilities, Inc.**

**For the Year Ended December 31, 2005**

| (a)  | (b)                               | (c)                                 | (d)                  |
|--|-----------------------------------|-------------------------------------|----------------------|
| Accounts   | Gross Water Revenues per Sch. F-3 | Gross Water Revenues per RAF Return | Difference (b) - (c) |
| Gross Revenue:   |                                   |                                     |                      |
| Residential  | \$ 163,745                        | \$ 163,745                          | \$ -                 |
| Commercial   | -                                 | -                                   | -                    |
| Industrial   | -                                 | -                                   | -                    |
| Multiple Family  | -                                 | -                                   | -                    |
| Guaranteed Revenues  | -                                 | -                                   | -                    |
| Other  | -                                 | -                                   | -                    |
| <b>Total Water Operating Revenue</b>                                 | <b>\$ 163,745</b>                 | <b>\$ 163,745</b>                   | <b>\$ -</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>\$ 163,745</b>                 | <b>\$ 163,745</b>                   | <b>\$ -</b>          |

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule F-3 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).