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RAY SANSOM
Speaker of the House of
Representatives



December 1, 2008

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COMMISSION
CLERK

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 080121-WS

Dear Ms. Cole:

Enclosed for filing, on behalf of the Citizens of the State of Florida, are the original and 15 copies of the Revised Schedules 27 – 29 of the Direct Testimony of Kimberly H. Dismukes.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

Charlie Beck
Deputy Public Counsel

CJB:bsr

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DOCUMENT NUMBER-DATE
11019 DEC-1 8
FPSC-COMMISSION CLERK

Docket No. 080121-WS
 Kimberly H. Dismukes
 Exhibit No. KHD-1
 Schedule 27
 Revised

Aqua Utilities Florida, Inc.
Revenue Requirement

Combined								
Line No.	(1) Description	(2) Per Books 2007	(3) Utility Test Year Adjustment	(4) Adjusted Test Year 2007	(5) Pro Forma Adjustments	(6) Pro Forma Adjusted	(7) Requested Revenue Adjustment	(8) Requested Annual Revenues
1	OPERATING REVENUES	8,990,438	(32,150)	8,958,288	228,262	9,186,549	1,611,858	10,798,408
2	Operation & Maintenance	7,957,858	88,550	8,046,408	(1,137,524)	6,908,883	4,820	6,913,704
3	Depreciation, net of CIAC Amort.	1,654,445	(268,225)	1,386,220	(4,407)	1,381,813	0	1,381,813
4	Amortization	0	66,419	66,419	(153,691)	(87,271)	0	(87,271)
5	Taxes Other Than Income	854,818	(69,243)	785,575	107,150	892,725	72,534	965,258
6	Provision for Income Taxes	(569,630)	(157,766)	(727,397)	549,208	(178,188)	591,935	413,747
7	OPERATING EXPENSES	9,897,490	(340,265)	9,557,225	(639,264)	8,917,962	669,289	9,587,251
8	NET OPERATING INCOME	(907,052)	308,115	(598,938)	867,525	268,588	942,569	1,211,157
9	RATE BASE	28,570,883	(8,230,995)	20,339,888	(657,433)	19,682,455		19,682,455
10	RATE OF RETURN	-6.35%		-5.75%				12.29%

Requested Revenue Increase: 17.5%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

DOCUMENT NUMBER-DATE
 11019 DEC-18
 FPSC-COMMISSION CLERK

Docket No. 080121-WS
 Kimberly H. Dismukes
 Exhibit No. KHD-1
 Schedule 27
 Revised

Aqua Utilities Florida, Inc.
Revenue Requirement

Water								
Line No.	(1) Description	(2) Per Books 2007	(3) Utility Test Year Adjustment	(4) Adjusted Test Year 2007	(5) Pro Forma Adjustments	(6) Pro Forma Adjusted	(7) Requested Revenue Adjustment	(8) Requested Annual Revenues
1	OPERATING REVENUES	5,597,982	1,278	5,599,260	226,539	5,825,798	699,502	6,525,300
2	Operation & Maintenance	4,933,352	258,609	5,191,961	(951,687)	4,240,274	2,092	4,242,366
3	Depreciation, net of CIAC Amort.	748,402	(26,991)	721,411	26,212	747,623	0	747,623
4	Amortization	0	48,954	48,954	(22,772)	26,182	0	26,182
5	Taxes Other Than Income	645,883	(162,538)	483,345	43,590	526,936	31,478	558,413
6	Provision for Income Taxes	(281,465)	(161,133)	(442,597)	427,872	(14,726)	256,883	242,158
7	OPERATING EXPENSES	6,046,172	(43,100)	6,003,073	(476,785)	5,526,288	290,453	5,816,741
8	NET OPERATING INCOME	(448,191)	44,378	(403,813)	703,323	299,510	409,049	708,559
9	RATE BASE	14,030,527	(2,967,835)	11,062,692	389,437	11,452,129		11,452,129
10	RATE OF RETURN	-3.19%		-3.65%				6.19%
							Requested Revenue Increase:	21.3%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

Aqua Utilities Florida, Inc.
Revenue Requirement

Wastewater								
Line No.	(1) Description	(2) Per Books 2007	(3) Utility Test Year Adjustment	(4) Adjusted Test Year 2007	(5) Pro Forma Adjustments	(6) Pro Forma Adjusted	(7) Requested Revenue Adjustment	(8) Requested Annual Revenues
1	OPERATING REVENUES	3,392,457	(33,429)	3,359,028	1,723	3,360,751	912,356	4,273,108
2	Operation & Maintenance	3,024,506	(170,059)	2,854,447	(185,838)	2,668,610	2,729	2,671,338
3	Depreciation, net of CIAC Amort.	906,043	(241,233)	664,809	(30,619)	634,190	0	634,190
4	Amortization	0	17,466	17,466	(130,919)	(113,453)	0	(113,453)
5	Taxes Other Than Income	208,935	93,295	302,230	63,559	365,789	41,056	406,845
6	Provision for Income Taxes	(288,166)	3,367	(284,799)	121,337	(163,462)	335,052	171,589
7	OPERATING EXPENSES	3,851,318	(297,165)	3,554,153	(162,479)	3,391,674	378,836	3,770,510
8	NET OPERATING INCOME	(458,861)	263,737	(195,125)	164,202	(30,922)	533,520	502,598
9	RATE BASE	14,540,356	(5,263,160)	9,277,196	(1,046,870)	8,230,326		8,230,326
10	RATE OF RETURN	-3.16%		-2.10%				6.11%
							Requested Revenue Increase:	28.0%

Note: The revenue requirement excludes Tomoka/Twin Rivers due to a link failure in Aqua's MFR model.

Aqua Utilities Florida, Inc.
Rate Base Adjustments
48 Estates

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 4,276	NA
3	Allocation of Corp Structures & Improvements	497	NA
4	PSC Audit Adjustments	858	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 5,631</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,085	NA
10	Meter replacement cost	17,010	NA
11	(Less) Retirement of existing meters	(4,543)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 13,552</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ 1,320</u>	<u>\$ -</u>
20		<u>\$ 1,320</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (6,656)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 585	NA
33	Allocation of Corp Structures & Improvements	51	NA
34	PSC Audit Adjustments	8,102	NA
35	PSC Depr Rate Correction	(183)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 8,555</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 9	NA
41	Meter Replacements		
42	Retirement of existing meters	(4,543)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	312	NA
44	Salvage	292	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (3,930)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
48 Estates

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ 4,338	NA
3	Total 2007 Adjustments	<u>\$ 4,338</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ 2,407	NA
11	PSC Depr Rate Correction	(225)	NA
12	Total 2007 Adjustments	<u>\$ 2,182</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	NA
16			
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (6,055)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,448	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Arredondo Estates/Farms

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 30,384	\$ 18,110
3	Allocation of Corp Structures & Improvements	3,530	2,104
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 33,914</u>	<u>\$ 20,214</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,707	\$ 4,593
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 7,707</u>	<u>\$ 4,593</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (66,740)</u>	<u>\$ (11,103)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 4,159	\$ 2,479
33	Allocation of Corp Structures & Improvements	362	216
34		-	-
35	PSC Depr Rate Correction	(1,218)	3,174
36		-	-
37	Total 2007 Adjustments	<u>\$ 3,303</u>	<u>\$ 5,868</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 66	\$ 40
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45	Reduce Accumulated Depreciation per Staff Audit Finding No. 4	(16,992)	
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (16,926)</u>	<u>\$ 40</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Arredondo Estates/Farms

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	295	-
12	Total 2007 Adjustments	\$ 295	\$ -
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (43,031)	\$ (25,651)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 10,291	\$ 6,134
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Beecher's Point

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 2,616	\$ 905
3	Allocation of Corp Structures & Improvements	304	105
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 2,920</u>	<u>\$ 1,011</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 663	\$ 230
10	Meter replacement cost	7,921	NA
11	(Less) Retirement of existing meters	(6,255)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 2,330</u>	<u>\$ 230</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (102,948)</u>	<u>\$ (218,525)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 358	\$ 124
33	Allocation of Corp Structures & Improvements	31	11
34		-	-
35	PSC Depr Rate Correction	37	48
36		-	-
37	Total 2007 Adjustments	<u>\$ 426</u>	<u>\$ 183</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 6	\$ 2
41	Meter Replacements		
42	Retirement of existing meters	(6,255)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	42	NA
44	Salvage	128	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (6,080)</u>	<u>\$ 2</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Beecher's Point

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	24	(288)
12	Total 2007 Adjustments	\$ 24	\$ (288)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			526
17		-	
18			-
19	Total Pro Forma Adjustments	\$ -	\$ 526
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (3,703)	\$ (1,270)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 5,389	\$ 2,195
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Chuluota

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 71,433	\$ 30,485
3	Allocation of Corp Structures & Improvements	8,299	3,542
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 79,732</u>	<u>\$ 34,026</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 18,118	\$ 7,732
10	Meter replacement cost	120,663	NA
11	(Less) Retirement of existing meters	(33,464)	NA
12		-	-
13			20,833
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 105,317</u>	<u>\$ 28,566</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (109,391)</u>	<u>\$ (2,882,142)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 9,777	\$ 4,172
33	Allocation of Corp Structures & Improvements	852	364
34		-	-
35	PSC Depr Rate Correction	805	86
36		-	-
37	Total 2007 Adjustments	<u>\$ 11,434</u>	<u>\$ 4,622</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 156	\$ 67
41	Meter Replacements		
42	Retirement of existing meters	(33,464)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	2,180	NA
44	Salvage	2,054	NA
45		-	-
46	Alternative Effluent Disposal Project		326
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (29,075)</u>	<u>\$ 392</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Chuluota

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	2,550	(19,533)
12	Total 2007 Adjustments	\$ 2,550	\$ (19,533)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	5,773	
16			36,153
17		-	
18			-
19	Total Pro Forma Adjustments	\$ 5,773	\$ 36,153
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (101,118)	\$ (43,166)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 57,771	\$ 16,709
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Carlton Village

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 12,325	NA
3	Allocation of Corp Structures & Improvements	1,432	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 13,757</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,126	NA
10	Meter replacement cost	21,350	NA
11	(Less) Retirement of existing meters	(6,462)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 18,014</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (183,841)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,687	NA
33	Allocation of Corp Structures & Improvements	147	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	75	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,909</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 27	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,462)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	372	NA
44	Salvage	347	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (5,716)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Carlton Village

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	367	NA
12	Total 2007 Adjustments	<u>\$ 367</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	511	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 511</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (17,461)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 11,160	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
East Lake Harris Estates

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 8,904	NA
3	Allocation of Corp Structures & Improvements	1,034	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 9,938</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,258	NA
10	Meter replacement cost	31,170	NA
11	(Less) Retirement of existing meters	(8,298)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 25,131</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (88,667)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,219	NA
33	Allocation of Corp Structures & Improvements	106	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	29	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,354</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 19	NA
41	Meter Replacements		
42	Retirement of existing meters	(8,298)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	572	NA
44	Salvage	630	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (7,077)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
East Lake Harris Estates

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	102	NA
12	Total 2007 Adjustments	<u>\$ 102</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (12,596)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 11,349	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
FI Central Commerce Park

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	NA	\$ 3,270
3	Allocation of Corp Structures & Improvements	NA	380
4	PSC Audit Adjustments	NA	
5	Entity Reclassification	NA	-
6	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ 3,650</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	NA	\$ 829
10	Meter replacement cost	NA	NA
11	(Less) Retirement of existing meters	NA	NA
12		NA	
13			-
14		NA	
15			-
16	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ 829</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	NA	\$ -
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	NA	\$ (302,396)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	\$ -	\$ -
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	NA	\$ 448
33	Allocation of Corp Structures & Improvements	NA	39
34	PSC Audit Adjustments	NA	-
35	PSC Depr Rate Correction	NA	429
36	Correction for UPIS Reclassification	NA	-
37	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ 916</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	NA	\$ 7
41	Meter Replacements		
42	Retirement of existing meters	NA	NA
43	6 Month Net Acc Depr (Addns less Retirements)	NA	NA
44	Salvage	NA	NA
45		NA	
46			-
47		NA	
48			-
49		NA	
50			-
51	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ 7</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
FI Central Commerce Park

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	NA	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		NA	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	NA	\$ -
11	PSC Depr Rate Correction	NA	(10,406)
12	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ (10,406)</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	NA	15,816
16			
17		NA	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ 15,816</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ -	\$ (4,622)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ -	\$ 8,051
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Friendly Center

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 1,559	NA
3	Allocation of Corp Structures & Improvements	181	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 1,741</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 396	NA
10	Meter replacement cost	6,510	NA
11	(Less) Retirement of existing meters	(1,708)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 5,198</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (3,112)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 213	NA
33	Allocation of Corp Structures & Improvements	19	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	24	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 256</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 3	NA
41	Meter Replacements		
42	Retirement of existing meters	(1,708)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	120	NA
44	Salvage	104	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (1,480)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Friendly Center

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(118)	NA
12	Total 2007 Adjustments	\$ (118)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	162	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ 162	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (2,216)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,495	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Fern Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 6,288	NA
3	Allocation of Corp Structures & Improvements	731	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 7,019</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,595	NA
10	Meter replacement cost	26,250	NA
11	(Less) Retirement of existing meters	(5,971)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 21,873</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (51,399)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 861	NA
33	Allocation of Corp Structures & Improvements	75	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	28	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 964</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 14	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,971)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	507	NA
44	Salvage	446	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (5,004)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Fern Terrace

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(120)	NA
12	Total 2007 Adjustments	<u>\$ (120)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	238	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 238</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (8,893)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 8,067	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Gibsonia Estates

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 9,860	NA
3	Allocation of Corp Structures & Improvements	1,146	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 11,005</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,501	NA
10	Meter replacement cost	17,197	NA
11	(Less) Retirement of existing meters	(6,220)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 13,477</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (75,092)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,350	NA
33	Allocation of Corp Structures & Improvements	118	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	30	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,497</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 22	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,220)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	274	NA
44	Salvage	295	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (5,629)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Gibsonia Estates

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	446	NA
12	Total 2007 Adjustments	<u>\$ 446</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	162	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 162</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (13,947)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 3,339	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Grand Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,534	NA
3	Allocation of Corp Structures & Improvements	643	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 6,176</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,404	NA
10	Meter replacement cost	23,310	NA
11	(Less) Retirement of existing meters	(5,107)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 19,606</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (56,374)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 757	NA
33	Allocation of Corp Structures & Improvements	66	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	39	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 862</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 12	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,107)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	455	NA
44	Salvage	389	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (4,251)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Grand Terrace

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	428	NA
12	Total 2007 Adjustments	<u>\$ 428</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	32	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 32</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,839)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 7,091	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Harmony Homes

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,219	NA
3	Allocation of Corp Structures & Improvements	374	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 3,594</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 817	NA
10	Meter replacement cost	5,338	NA
11	(Less) Retirement of existing meters	(1,473)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 4,682</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (3,593)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 441	NA
33	Allocation of Corp Structures & Improvements	38	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	6	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 485</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 7	NA
41	Meter Replacements		
42	Retirement of existing meters	(1,473)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	97	NA
44	Salvage	92	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (1,277)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Harmony Homes

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(1)	NA
12	Total 2007 Adjustments	\$ (1)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	13	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ 13	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (4,568)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 4,047	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Hobby Hills

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,232	NA
3	Allocation of Corp Structures & Improvements	608	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 5,840</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,327	NA
10	Meter replacement cost	21,000	NA
11	(Less) Retirement of existing meters	(5,668)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 16,659</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (24,388)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 716	NA
33	Allocation of Corp Structures & Improvements	62	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	2	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 780</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,668)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	383	NA
44	Salvage	342	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (4,931)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Hobby Hills

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(44)	NA
12	Total 2007 Adjustments	<u>\$ (44)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	79	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 79</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,406)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 6,303	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Hermits Cove

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 9,206	NA
3	Allocation of Corp Structures & Improvements	1,070	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 10,275</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,335	NA
10	Meter replacement cost	36,750	NA
11	(Less) Retirement of existing meters	(11,112)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 27,973</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (68,446)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,260	NA
33	Allocation of Corp Structures & Improvements	110	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	1,877	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 3,246</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 20	NA
41	Meter Replacements		
42	Retirement of existing meters	(11,112)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	641	NA
44	Salvage	619	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (9,831)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Hermits Cove

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(97)	NA
12	Total 2007 Adjustments	<u>\$ (97)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	(129)	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ (129)</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (13,028)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 11,303	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Holiday Haven

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 6,288	\$ 5,584
3	Allocation of Corp Structures & Improvements	731	649
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 7,019</u>	<u>\$ 6,233</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,595	\$ 1,416
10	Meter replacement cost	14,086	NA
11	(Less) Retirement of existing meters	(8,803)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 6,877</u>	<u>\$ 1,416</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (9,097)</u>	<u>\$ (128,327)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 861	\$ 764
33	Allocation of Corp Structures & Improvements	75	67
34		-	-
35	PSC Depr Rate Correction	-	42
36		-	-
37	Total 2007 Adjustments	<u>\$ 936</u>	<u>\$ 873</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 14	\$ 12
41	Meter Replacements		
42	Retirement of existing meters	(8,803)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	132	NA
44	Salvage	220	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (8,438)</u>	<u>\$ 12</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Holiday Haven

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(224)	(789)
12	Total 2007 Adjustments	\$ (224)	\$ (789)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	125	
16			(2,092)
17		-	
18			-
19	Total Pro Forma Adjustments	\$ 125	\$ (2,092)
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (8,893)	\$ (7,893)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 7,401	\$ 6,270
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Haines Creek

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,584	NA
3	Allocation of Corp Structures & Improvements	649	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 6,233</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,416	NA
10	Meter replacement cost	26,460	NA
11	(Less) Retirement of existing meters	(9,013)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 18,863</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (1,479)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 764	NA
33	Allocation of Corp Structures & Improvements	67	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(109)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 722</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 12	NA
41	Meter Replacements		
42	Retirement of existing meters	(9,013)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	436	NA
44	Salvage	392	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (8,172)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Haines Creek

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	279	NA
12	Total 2007 Adjustments	<u>\$ 279</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,893)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,891	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Interlachen Lake/Park Manor

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,488	\$ 1,559
3	Allocation of Corp Structures & Improvements	1,683	181
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 16,171</u>	<u>\$ 1,741</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,675	\$ 396
10	Meter replacement cost	28,984	NA
11	(Less) Retirement of existing meters	(8,382)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 24,277</u>	<u>\$ 396</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (8,909)</u>	<u>\$ (10,983)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,983	\$ 213
33	Allocation of Corp Structures & Improvements	173	19
34		-	-
35	PSC Depr Rate Correction	45	-
36		-	-
37	Total 2007 Adjustments	<u>\$ 2,201</u>	<u>\$ 232</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 32	\$ 3
41	Meter Replacements		
42	Retirement of existing meters	(8,382)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	515	NA
44	Salvage	488	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (7,347)</u>	<u>\$ 3</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Interlachen Lake/Park Manor

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	415	(1)
12	Total 2007 Adjustments	<u>\$ 415</u>	<u>\$ (1)</u>
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (20,515)	\$ (2,216)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 16,827	\$ 2,102
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Imperial Mobile Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 12,476	NA
3	Allocation of Corp Structures & Improvements	1,449	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 13,925</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,164	NA
10	Meter replacement cost	51,870	NA
11	(Less) Retirement of existing meters	(11,205)	NA
12	Increase to Plant per Staff Audit Finding No. 11	1,247	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 45,076</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (22,528)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,708	NA
33	Allocation of Corp Structures & Improvements	149	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	1	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,857</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 27	NA
41	Meter Replacements		
42	Retirement of existing meters	(11,205)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,017	NA
44	Salvage	882	NA
45	Increase to Plant per Staff Audit Finding No. 11	58	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (9,222)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Imperial Mobile Terrace

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	557	NA
12	Total 2007 Adjustments	\$ 557	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (17,650)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 15,684	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Jungle Den

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,785	\$ 6,892
3	Allocation of Corp Structures & Improvements	672	801
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 6,457</u>	<u>\$ 7,692</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,467	\$ 1,748
10	Meter replacement cost	10,645	NA
11	(Less) Retirement of existing meters	(4,848)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 7,265</u>	<u>\$ 1,748</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (699)</u>	<u>\$ (64,515)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 792	\$ 943
33	Allocation of Corp Structures & Improvements	69	82
34		-	-
35		-	-
36		-	-
37	Total 2007 Adjustments	<u>\$ 861</u>	<u>\$ 1,026</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 13	\$ 15
41	Meter Replacements		
42	Retirement of existing meters	(4,848)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	145	NA
44	Salvage	182	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (4,508)</u>	<u>\$ 15</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Jungle Den

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(130)	(1,703)
12	Total 2007 Adjustments	\$ (130)	\$ (1,703)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	260	
16			3,981
17		-	
18			-
19	Total Pro Forma Adjustments	\$ 260	\$ 3,981
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (8,190)	\$ (9,758)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 7,266	\$ 7,852
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Jasmine Lakes

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 78,526	\$ 78,123
3	Allocation of Corp Structures & Improvements	9,123	9,076
4	PSC Audit Adjustments	(1,298,086)	
5		-	-
6	Total 2007 Adjustments	<u>\$ (1,210,437)</u>	<u>\$ 87,200</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 19,917	\$ 19,815
10	Meter replacement cost	141,742	NA
11	(Less) Retirement of existing meters	(52,578)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 109,082</u>	<u>\$ 19,815</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ (2,372)</u>	<u>\$ -</u>
20		<u>\$ (2,372)</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ -</u>	<u>\$ -</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 10,748	\$ 10,693
33	Allocation of Corp Structures & Improvements	937	932
34	PSC Audit Adjustments	(164,981)	77,792
35	PSC Depr Rate Correction	(25,247)	12,204
36		-	-
37	Total 2007 Adjustments	<u>\$ (178,543)</u>	<u>\$ 101,622</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 171	\$ 170
41	Meter Replacements		
42	Retirement of existing meters	(52,578)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	2,229	NA
44	Salvage	2,405	NA
45	Reduce Accumulated Depreciation per Staff Audit Finding No. 4	(35,249)	
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (83,022)</u>	<u>\$ 170</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Jasmine Lakes

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ (68,618)	\$ -
3	Total 2007 Adjustments	<u>\$ (68,618)</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ (28,529)	\$ 936
11	PSC Depr Rate Correction	3,155	1,103
12	Total 2007 Adjustments	<u>\$ (25,373)</u>	<u>\$ 2,039</u>
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (111,173)	\$ (110,605)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 26,596	\$ 26,460
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Kings Cove

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 10,514	\$ 10,061
3	Allocation of Corp Structures & Improvements	1,221	1,169
4	PSC Audit Adjustments	(44,784)	
5		-	-
6	Total 2007 Adjustments	<u>\$ (33,048)</u>	<u>\$ 11,230</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,667	\$ 2,552
10	Meter replacement cost	43,260	NA
11	(Less) Retirement of existing meters	(15,511)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 30,416</u>	<u>\$ 2,552</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ 69</u>	<u>\$ 75</u>
20		<u>\$ 69</u>	<u>\$ 75</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (21,612)</u>	<u>\$ (63,405)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,439	\$ 1,377
33	Allocation of Corp Structures & Improvements	125	120
34	PSC Audit Adjustments	(6,258)	3,888
35	PSC Depr Rate Correction	(1,096)	(749)
36		-	-
37	Total 2007 Adjustments	<u>\$ (5,790)</u>	<u>\$ 4,636</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 23	\$ 22
41	Meter Replacements		
42	Retirement of existing meters	(15,511)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	694	NA
44	Salvage	742	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (14,052)</u>	<u>\$ 22</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Kings Cove

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ 3,785	\$ 7,002
3	Total 2007 Adjustments	<u>\$ 3,785</u>	<u>\$ 7,002</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ (5,957)	\$ (18,258)
11	PSC Depr Rate Correction	1,274	2,248
12	Total 2007 Adjustments	<u>\$ (4,682)</u>	<u>\$ (16,010)</u>
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (14,893)	\$ (14,245)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 3,561	\$ 3,408
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Kingswood

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,219	NA
3	Allocation of Corp Structures & Improvements	374	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 3,594</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 817	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 817</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ -</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 441	NA
33	Allocation of Corp Structures & Improvements	38	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	5	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 484</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 7	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ 7</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Kingswood

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(6)	NA
12	Total 2007 Adjustments	<u>\$ (6)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (4,568)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 4,004	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Gibson Estates

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 42,407	\$ 16,047
3	Allocation of Corp Structures & Improvements	4,927	1,864
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 47,334</u>	<u>\$ 17,912</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 10,756	\$ 4,070
10	Meter replacement cost	74,028	NA
11	(Less) Retirement of existing meters	(20,516)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 64,269</u>	<u>\$ 4,070</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (31,366)</u>	<u>\$ (1,255,782)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 5,804	\$ 2,196
33	Allocation of Corp Structures & Improvements	506	191
34		-	-
35	PSC Depr Rate Correction	35	1,263
36		-	-
37	Total 2007 Adjustments	<u>\$ 6,345</u>	<u>\$ 3,651</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 93	\$ 35
41	Meter Replacements		
42	Retirement of existing meters	(20,516)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,338	NA
44	Salvage	1,269	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (17,816)</u>	<u>\$ 35</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Gibson Estates

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(2,960)	(2,594)
12	Total 2007 Adjustments	\$ (2,960)	\$ (2,594)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	4,424	
16			4,720
17		-	
18			-
19	Total Pro Forma Adjustments	\$ 4,424	\$ 4,720
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (60,033)	\$ (22,705)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 14,363	\$ 5,435
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Josephine

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 28,825	NA
3	Allocation of Corp Structures & Improvements	3,349	NA
4	PSC Audit Adjustments	228,474	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 260,648</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,311	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12	Build new WTP - Consent Order	321,452	
13			NA
14	Reduce Plant in Service per Staff Audit Finding No. 4	(329,672)	
15			NA
16	Total Pro Forma Adjustments	<u>\$ (909)</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ (4,523)</u>	<u>\$ -</u>
20		<u>\$ (4,523)</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (249,528)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,945	NA
33	Allocation of Corp Structures & Improvements	344	NA
34	PSC Audit Adjustments	870	NA
35	PSC Depr Rate Correction	3,822	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 8,982</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 63	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45	Build new WTP - Consent Order	(48,525)	
46	#VALUE!		NA
47	Reduce Plant in Service per Staff Audit Finding No. 4	(82,858)	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (131,320)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Josephine

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ 101,658	NA
3	Total 2007 Adjustments	<u>\$ 101,658</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ 5,457	NA
11	PSC Depr Rate Correction	(827)	NA
12	Total 2007 Adjustments	<u>\$ 4,631</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	NA
16			
17		-	NA
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (40,815)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 9,763	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Osborne Estates

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 23,593	NA
3	Allocation of Corp Structures & Improvements	2,741	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 26,334</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 5,984	NA
10	Meter replacement cost	105,300	NA
11	(Less) Retirement of existing meters	(28,372)	NA
12	Reduce Plant in Service per Staff Audit Finding No. 4	(3,289)	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 79,624</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ 18</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,229	NA
33	Allocation of Corp Structures & Improvements	281	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	1,313	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 4,823</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 51	NA
41	Meter Replacements		
42	Retirement of existing meters	(28,372)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,923	NA
44	Salvage	1,670	NA
45	Reduce Plant in Service per Staff Audit Finding No. 4	(941)	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (25,667)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Osborne Estates

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(28)	NA
12	Total 2007 Adjustments	\$ (28)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (33,409)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 7,991	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Leisure Lakes

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,588	\$ 14,186
3	Allocation of Corp Structures & Improvements	1,695	1,648
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 16,283</u>	<u>\$ 15,834</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,700	\$ 3,598
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 3,700</u>	<u>\$ 3,598</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (8,071)</u>	<u>\$ (49,064)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,997	\$ 1,942
33	Allocation of Corp Structures & Improvements	174	169
34		-	-
35	PSC Depr Rate Correction	29	91
36		-	-
37	Total 2007 Adjustments	<u>\$ 2,200</u>	<u>\$ 2,202</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 32	\$ 31
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ 32</u>	<u>\$ 31</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Leisure Lakes

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	1,261	1,551
12	Total 2007 Adjustments	\$ 1,261	\$ 1,551
13			
14	Pro Forma Adjustments		
15		-	-
16		-	-
17		-	-
18		-	-
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (20,651)	\$ (20,083)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 16,361	\$ 15,590
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Suzy

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 28,422	\$ 13,582
3	Allocation of Corp Structures & Improvements	3,302	1,578
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 31,724</u>	<u>\$ 15,160</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,209	\$ 3,445
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12	Reduce Plant in Service per Staff Audit Finding No. 1	(534,221)	-
13		-	-
14		-	-
15	Reduce Plant in Service per Staff Audit Finding No. 2	-	(1,119,520)
16	Total Pro Forma Adjustments	<u>\$ (527,012)</u>	<u>\$ (1,116,075)</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (14,151)</u>	<u>\$ -</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,890	\$ 1,859
33	Allocation of Corp Structures & Improvements	339	162
34		-	-
35	PSC Depr Rate Correction	(1,460)	(5,569)
36		-	-
37	Total 2007 Adjustments	<u>\$ 2,770</u>	<u>\$ (3,548)</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 62	\$ 30
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45	Reduce Plant in Service per Staff Audit Finding No. 1	(108,901)	-
46		-	-
47		-	-
48	Reduce Plant in Service per Staff Audit Finding No. 2	-	(359,506)
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (108,839)</u>	<u>\$ (359,476)</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Lake Suzy

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6	Reduce CIAC per Staff Audit Finding No. 1	\$ (126,533)	\$ -
7	Total Pro Forma Adjustments	<u>\$ (126,533)</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	5,849	(1,487)
12	Total 2007 Adjustments	<u>\$ 5,849</u>	<u>\$ (1,487)</u>
13			
14	Pro Forma Adjustments		
15		-	-
16			
17	Reduce Plant in Service per Staff Audit Finding No. 1	8,891	-
18			-
19	Total Pro Forma Adjustments	<u>\$ 8,891</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (40,247)	\$ (19,218)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 9,626	\$ 4,600
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Morningview

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 1,912	\$ 1,811
3	Allocation of Corp Structures & Improvements	222	210
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 2,134</u>	<u>\$ 2,021</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 485	\$ 459
10	Meter replacement cost	7,980	NA
11	(Less) Retirement of existing meters	(2,325)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 6,139</u>	<u>\$ 459</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (41,117)</u>	<u>\$ (23,497)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 262	\$ 248
33	Allocation of Corp Structures & Improvements	23	22
34		-	-
35	PSC Depr Rate Correction	38	184
36		-	-
37	Total 2007 Adjustments	<u>\$ 323</u>	<u>\$ 454</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 4	\$ 4
41	Meter Replacements		
42	Retirement of existing meters	(2,325)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	141	NA
44	Salvage	122	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (2,057)</u>	<u>\$ 4</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Morningview

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(65)	(102)
12	Total 2007 Adjustments	<u>\$ (65)</u>	<u>\$ (102)</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	99	
16			203
17		-	
18			-
19	Total Pro Forma Adjustments	<u>\$ 99</u>	<u>\$ 203</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (2,703)	\$ (2,568)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 2,880	\$ 2,329
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Ocala Oaks

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 91,454	NA
3	Allocation of Corp Structures & Improvements	10,625	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 102,079</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 23,197	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 23,197</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (227,534)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 12,517	NA
33	Allocation of Corp Structures & Improvements	1,091	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(1,905)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 11,704</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 200	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ 200</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Ocala Oaks

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	6,157	NA
12	Total 2007 Adjustments	\$ 6,157	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	NA
16	Reduce Accumulated Amortization of CIAC per Staff Audit Finding No. 5	11,418	NA
17			
18			NA
19	Total Pro Forma Adjustments	\$ 11,418	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (129,472)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 30,975	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Orange Hill/Sugar Creek

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 12,224	NA
3	Allocation of Corp Structures & Improvements	1,420	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 13,644</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,101	NA
10	Meter replacement cost	20,650	NA
11	(Less) Retirement of existing meters	(5,037)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 18,714</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (84,339)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,673	NA
33	Allocation of Corp Structures & Improvements	146	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	80	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,899</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 27	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,037)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	390	NA
44	Salvage	348	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (4,272)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Orange Hill/Sugar Creek

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(377)	NA
12	Total 2007 Adjustments	<u>\$ (377)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	487	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 487</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (17,299)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 4,140	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Oakwood

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 11,620	NA
3	Allocation of Corp Structures & Improvements	1,350	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 12,970</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,947	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 2,947</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (5,128)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,590	NA
33	Allocation of Corp Structures & Improvements	139	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	175	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,904</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 25	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ 25</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Oakwood

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	6	NA
12	Total 2007 Adjustments	<u>\$ 6</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	NA
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (16,461)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 13,758	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Picciola Island

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 7,546	NA
3	Allocation of Corp Structures & Improvements	877	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 8,422</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,914	NA
10	Meter replacement cost	52,013	NA
11	(Less) Retirement of existing meters	(6,758)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 47,169</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (29,344)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,033	NA
33	Allocation of Corp Structures & Improvements	90	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	154	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,277</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 16	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,758)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,131	NA
44	Salvage	443	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (5,168)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Picciola Island

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	296	NA
12	Total 2007 Adjustments	<u>\$ 296</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (10,677)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 8,998	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palm Port

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,433	\$ 5,383
3	Allocation of Corp Structures & Improvements	631	625
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 6,064</u>	<u>\$ 6,008</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,378	\$ 1,365
10	Meter replacement cost	22,260	NA
11	(Less) Retirement of existing meters	(7,139)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 16,499</u>	<u>\$ 1,365</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (443)</u>	<u>\$ (37,328)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 744	\$ 737
33	Allocation of Corp Structures & Improvements	65	64
34		-	-
35	PSC Depr Rate Correction	42	18
36		-	-
37	Total 2007 Adjustments	<u>\$ 850</u>	<u>\$ 819</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 12	\$ 12
41	Meter Replacements		
42	Retirement of existing meters	(7,139)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	378	NA
44	Salvage	374	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (6,374)</u>	<u>\$ 12</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palm Port

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	123	196
12	Total 2007 Adjustments	\$ 123	\$ 196
13			
14	Pro Forma Adjustments		
15		-	-
16		-	-
17		-	-
18		-	-
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,703)	\$ (7,622)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 6,841	\$ 6,828
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palm Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 59,661	\$ 51,562
3	Allocation of Corp Structures & Improvements	6,932	5,991
4		-	
5	Entity Reclassification	(4,594)	-
6	Total 2007 Adjustments	<u>\$ 61,998</u>	<u>\$ 57,553</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 15,133	\$ 13,078
10	Meter replacement cost	104,413	NA
11	(Less) Retirement of existing meters	(25,876)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 93,669</u>	<u>\$ 13,078</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (72,321)</u>	<u>\$ -</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 8,166	\$ 7,057
33	Allocation of Corp Structures & Improvements	712	615
34		-	-
35	PSC Depr Rate Correction	(21)	93
36		-	-
37	Total 2007 Adjustments	<u>\$ 8,857</u>	<u>\$ 7,766</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 130	\$ 113
41	Meter Replacements		
42	Retirement of existing meters	(25,876)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	1,963	NA
44	Salvage	1,723	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (22,059)</u>	<u>\$ 113</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palm Terrace

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(243)	(4,650)
12	Total 2007 Adjustments	<u>\$ (243)</u>	<u>\$ (4,650)</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	41	
16			10,300
17		-	
18			-
19	Total Pro Forma Adjustments	<u>\$ 41</u>	<u>\$ 10,300</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (84,468)	\$ (73,007)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 77,304	\$ 66,083
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palms MHP

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,119	NA
3	Allocation of Corp Structures & Improvements	362	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 3,481</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 791	NA
10	Meter replacement cost	15,330	NA
11	(Less) Retirement of existing meters	(2,883)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 13,238</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (17,994)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 427	NA
33	Allocation of Corp Structures & Improvements	37	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	7	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 471</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 7	NA
41	Meter Replacements		
42	Retirement of existing meters	(2,883)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	311	NA
44	Salvage	209	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (2,356)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Palms MHP

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(48)	NA
12	Total 2007 Adjustments	<u>\$ (48)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	96	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 96</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (4,406)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 3,802	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Pomona Park

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 8,904	NA
3	Allocation of Corp Structures & Improvements	1,034	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 9,938</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,258	NA
10	Meter replacement cost	22,021	NA
11	(Less) Retirement of existing meters	(8,874)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 15,406</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (105,042)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,219	NA
33	Allocation of Corp Structures & Improvements	106	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	80	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,405</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 19	NA
41	Meter Replacements		
42	Retirement of existing meters	(8,874)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	329	NA
44	Salvage	366	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (8,160)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Pomona Park

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(245)	NA
12	Total 2007 Adjustments	<u>\$ (245)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	353	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 353</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (12,596)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 11,917	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Piney Woods

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 9,005	NA
3	Allocation of Corp Structures & Improvements	1,046	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 10,051</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,284	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 2,284</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (18,474)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,232	NA
33	Allocation of Corp Structures & Improvements	107	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	49	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,389</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 20	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ 20</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Piney Woods

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(216)	NA
12	Total 2007 Adjustments	<u>\$ (216)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	431	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 431</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (12,758)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 10,933	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Quail Ridge

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 4,829	NA
3	Allocation of Corp Structures & Improvements	561	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 5,390</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,225	NA
10	Meter replacement cost	21,000	NA
11	(Less) Retirement of existing meters	(4,020)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 18,205</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (12,381)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 661	NA
33	Allocation of Corp Structures & Improvements	58	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	21	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 740</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	NA
41	Meter Replacements		
42	Retirement of existing meters	(4,020)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	425	NA
44	Salvage	338	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (3,246)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Quail Ridge

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(1,409)	NA
12	Total 2007 Adjustments	<u>\$ (1,409)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	1,970	NA
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 1,970</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (6,838)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 2,462	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Rosalie Oaks

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 4,880	\$ 4,880
3	Allocation of Corp Structures & Improvements	567	567
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 5,446</u>	<u>\$ 5,446</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,238	\$ 1,238
10	Meter replacement cost	9,294	NA
11	(Less) Retirement of existing meters	(40)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 10,491</u>	<u>\$ 1,238</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (30,080)</u>	<u>\$ (14,772)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 668	\$ 668
33	Allocation of Corp Structures & Improvements	58	58
34		-	-
35	PSC Depr Rate Correction	(64)	(444)
36		-	-
37	Total 2007 Adjustments	<u>\$ 662</u>	<u>\$ 282</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	\$ 11
41	Meter Replacements		
42	Retirement of existing meters	(40)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	231	NA
44	Salvage	159	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ 361</u>	<u>\$ 11</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Rosalie Oaks

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	22	18
12	Total 2007 Adjustments	\$ 22	\$ 18
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (6,920)	\$ (6,920)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,653	\$ 1,653
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
River Grove

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 5,383	NA
3	Allocation of Corp Structures & Improvements	625	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 6,008</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,365	NA
10	Meter replacement cost	22,470	NA
11	(Less) Retirement of existing meters	(5,030)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 18,805</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (658)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 737	NA
33	Allocation of Corp Structures & Improvements	64	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	53	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 854</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 12	NA
41	Meter Replacements		
42	Retirement of existing meters	(5,030)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	436	NA
44	Salvage	385	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (4,197)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
River Grove

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	64	NA
12	Total 2007 Adjustments	<u>\$ 64</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,622)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 6,734	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Ravenswood

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 2,264	NA
3	Allocation of Corp Structures & Improvements	263	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 2,527</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 574	NA
10	Meter replacement cost	9,660	NA
11	(Less) Retirement of existing meters	(7,372)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 2,862</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (4,636)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 310	NA
33	Allocation of Corp Structures & Improvements	27	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(42)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 295</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 5	NA
41	Meter Replacements		
42	Retirement of existing meters	(7,372)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	57	NA
44	Salvage	162	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (7,148)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Ravenswood

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	261	NA
12	Total 2007 Adjustments	\$ 261	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (3,217)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 767	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Sebring Lakes

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,873	NA
3	Allocation of Corp Structures & Improvements	450	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 4,323</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 982	NA
10	Meter replacement cost	-	NA
11	(Less) Retirement of existing meters	-	NA
12	Reduce Plant in Service per Staff Audit Finding No. 4	(20,122)	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ (19,140)</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (104,895)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 530	NA
33	Allocation of Corp Structures & Improvements	46	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(660)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ (83)</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 8	NA
41	Meter Replacements		
42	Retirement of existing meters	-	NA
43	6 Month Net Acc Depr (Addns less Retirements)	-	NA
44	Salvage	-	NA
45	Reduce Plant in Service per Staff Audit Finding No. 4	(4,005)	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (3,997)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Sebring Lakes

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(1,503)	NA
12	Total 2007 Adjustments	<u>\$ (1,503)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (5,487)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,312	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
St. John's Highlands

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 4,980	NA
3	Allocation of Corp Structures & Improvements	579	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 5,559</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,263	NA
10	Meter replacement cost	20,160	NA
11	(Less) Retirement of existing meters	(6,942)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 14,482</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (8,353)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 682	NA
33	Allocation of Corp Structures & Improvements	59	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	-	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 741</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 11	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,942)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	330	NA
44	Salvage	342	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (6,258)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
St. John's Highlands

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(244)	NA
12	Total 2007 Adjustments	\$ (244)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	280	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ 280	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (7,055)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 5,654	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Skycrest

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 6,137	NA
3	Allocation of Corp Structures & Improvements	713	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 6,850</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,557	NA
10	Meter replacement cost	24,990	NA
11	(Less) Retirement of existing meters	(6,438)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 20,109</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (56,200)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 840	NA
33	Allocation of Corp Structures & Improvements	73	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	21	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 934</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 13	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,438)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	464	NA
44	Salvage	428	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (5,533)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Skycrest

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(213)	NA
12	Total 2007 Adjustments	<u>\$ (213)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	331	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ 331</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (8,677)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 7,475	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Silver Lake Est/Western Shores

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 81,041	NA
3	Allocation of Corp Structures & Improvements	9,415	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 90,456</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 20,555	NA
10	Meter replacement cost	336,000	NA
11	(Less) Retirement of existing meters	(124,275)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 232,281</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (114,332)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 11,092	NA
33	Allocation of Corp Structures & Improvements	967	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	(917)	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 11,142</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 177	NA
41	Meter Replacements		
42	Retirement of existing meters	(124,275)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	5,293	NA
44	Salvage	5,760	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (113,045)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Silver Lake Est/Western Shores

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	1,432	NA
12	Total 2007 Adjustments	\$ 1,432	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	1,998	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ 1,998	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (114,741)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 111,673	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Summit Chase

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 11,067	\$ 10,966
3	Allocation of Corp Structures & Improvements	1,286	1,274
4	PSC Audit Adjustments	(47,067)	
5		-	-
6	Total 2007 Adjustments	<u>\$ (34,714)</u>	<u>\$ 12,240</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,807	\$ 2,782
10	Meter replacement cost	46,200	NA
11	(Less) Retirement of existing meters	(9,549)	NA
12		-	-
13			
14		-	-
15			-
16	Total Pro Forma Adjustments	<u>\$ 39,458</u>	<u>\$ 2,782</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ 9,001</u>	<u>\$ 20,983</u>
20		<u>\$ 9,001</u>	<u>\$ 20,983</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (32,304)</u>	<u>\$ (67,162)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,515	\$ 1,501
33	Allocation of Corp Structures & Improvements	132	131
34	PSC Audit Adjustments	11,547	18,678
35	PSC Depr Rate Correction	(1,686)	2,122
36	Correction for UPIS Reclassification	-	(19,933)
37	Total 2007 Adjustments	<u>\$ 11,507</u>	<u>\$ 2,498</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 24	\$ 24
41	Meter Replacements		
42	Retirement of existing meters	(9,549)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	916	NA
44	Salvage	785	NA
45		-	-
46			
47		-	-
48			
49		-	-
50			-
51	Total Pro Forma Adjustments	<u>\$ (7,824)</u>	<u>\$ 24</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Summit Chase

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ 30,168	\$ 4,756
3	Total 2007 Adjustments	<u>\$ 30,168</u>	<u>\$ 4,756</u>
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ 210	\$ (37,422)
11	PSC Depr Rate Correction	210	2,204
12	Total 2007 Adjustments	<u>\$ 419</u>	<u>\$ (35,217)</u>
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (15,677)	\$ (15,515)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 3,748	\$ 3,714
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Stone Mountain

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 503	NA
3	Allocation of Corp Structures & Improvements	58	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 561</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 128	NA
10	Meter replacement cost	2,100	NA
11	(Less) Retirement of existing meters	(469)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 1,759</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (1,362)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 69	NA
33	Allocation of Corp Structures & Improvements	6	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	2	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 77</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 1	NA
41	Meter Replacements		
42	Retirement of existing meters	(469)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	41	NA
44	Salvage	36	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (391)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Stone Mountain

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(76)	NA
12	Total 2007 Adjustments	<u>\$ (76)</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	106	NA
16		-	NA
17			
18			NA
19	Total Pro Forma Adjustments	<u>\$ 106</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (703)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 527	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Sunny Hills

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 29,177	\$ 9,055
3	Allocation of Corp Structures & Improvements	3,390	1,052
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 32,566</u>	<u>\$ 10,107</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 7,400	\$ 2,297
10	Meter replacement cost	48,913	NA
11	(Less) Retirement of existing meters	(29,283)	NA
12	Replace water pump and motor - Well #5	5,000	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 32,030</u>	<u>\$ 2,297</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (986,564)</u>	<u>\$ (61,965)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,993	\$ 1,239
33	Allocation of Corp Structures & Improvements	348	108
34		-	-
35	PSC Depr Rate Correction	3,432	4,508
36		-	-
37	Total 2007 Adjustments	<u>\$ 7,774</u>	<u>\$ 5,855</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 64	\$ 20
41	Meter Replacements		
42	Retirement of existing meters	(29,283)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	491	NA
44	Salvage	839	NA
45	Replace water pump and motor - Well #5	(11,542)	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (39,432)</u>	<u>\$ 20</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Sunny Hills

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	5,019	(22)
12	Total 2007 Adjustments	\$ 5,019	\$ (22)
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (41,301)	\$ (12,812)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 18,306	\$ 32,450
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
South Seas

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	NA	\$ 3,421
3	Allocation of Corp Structures & Improvements	NA	397
4	PSC Audit Adjustments	NA	
5	Entity Reclassification	NA	-
6	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ 3,818</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	NA	\$ 868
10	Meter replacement cost	NA	NA
11	(Less) Retirement of existing meters	NA	NA
12		NA	
13			33,333
14		NA	
15			18,090
16	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ 52,291</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	NA	\$ -
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	NA	\$ (756,959)
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	NA	\$ 468
33	Allocation of Corp Structures & Improvements	NA	41
34	PSC Audit Adjustments	NA	-
35	PSC Depr Rate Correction	NA	(87)
36	Correction for UPIS Reclassification	NA	-
37	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ 422</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	NA	\$ 7
41	Meter Replacements		NA
42	Retirement of existing meters	NA	NA
43	6 Month Net Acc Depr (Addns less Retirements)	NA	NA
44	Salvage	NA	NA
45		NA	
46			521
47		NA	
48			565
49		NA	
50			-
51	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ 1,094</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
South Seas

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	NA	\$ -
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		NA	\$ -
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	NA	\$ -
11	PSC Depr Rate Correction	NA	(1,087)
12	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ (1,087)</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	NA	-
16			
17		NA	-
18			
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ -	\$ (4,838)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ -	\$ 1,159
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Silver Lake Oaks

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 2,213	\$ 2,163
3	Allocation of Corp Structures & Improvements	257	251
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 2,471</u>	<u>\$ 2,414</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 561	\$ 549
10	Meter replacement cost	9,030	NA
11	(Less) Retirement of existing meters	(6,232)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 3,360</u>	<u>\$ 549</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (578)</u>	<u>\$ (10,338)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 303	\$ 296
33	Allocation of Corp Structures & Improvements	26	26
34		-	-
35	PSC Depr Rate Correction	55	-
36		-	-
37	Total 2007 Adjustments	<u>\$ 384</u>	<u>\$ 322</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 5	\$ 5
41	Meter Replacements		
42	Retirement of existing meters	(6,232)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	70	NA
44	Salvage	133	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (6,024)</u>	<u>\$ 5</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Silver Lake Oaks

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	49	148
12	Total 2007 Adjustments	\$ 49	\$ 148
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			33
17			
18			-
19	Total Pro Forma Adjustments	\$ -	\$ 33
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (3,135)	\$ (3,054)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 2,097	\$ 1,997
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Tangerine

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 14,337	NA
3	Allocation of Corp Structures & Improvements	1,666	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 16,002</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 3,636	NA
10	Meter replacement cost	54,810	NA
11	(Less) Retirement of existing meters	(23,261)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 35,186</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (67,021)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,962	NA
33	Allocation of Corp Structures & Improvements	171	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	21	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 2,154</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 31	NA
41	Meter Replacements		
42	Retirement of existing meters	(23,261)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	789	NA
44	Salvage	940	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (21,501)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Tangerine

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(233)	NA
12	Total 2007 Adjustments	\$ (233)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	827	
16	Reduce Accumulated Amortization of CIAC per Staff Audit Finding		NA
17	No. 5	(2,830)	
18			NA
19	Total Pro Forma Adjustments	\$ (2,003)	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (20,299)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 4,856	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
The Woods

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 3,823	\$ 3,622
3	Allocation of Corp Structures & Improvements	444	421
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 4,267</u>	<u>\$ 4,043</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 970	\$ 919
10	Meter replacement cost	14,490	NA
11	(Less) Retirement of existing meters	(2,816)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 12,643</u>	<u>\$ 919</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (2,065)</u>	<u>\$ (13,786)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 523	\$ 496
33	Allocation of Corp Structures & Improvements	46	43
34		-	-
35	PSC Depr Rate Correction	3,093	2,373
36		-	-
37	Total 2007 Adjustments	<u>\$ 3,662</u>	<u>\$ 2,912</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 8	\$ 8
41	Meter Replacements		
42	Retirement of existing meters	(2,816)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	292	NA
44	Salvage	248	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (2,268)</u>	<u>\$ 8</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
The Woods

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	(236)	(10)
12	Total 2007 Adjustments	\$ (236)	\$ (10)
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			1,011
17			
18			-
19	Total Pro Forma Adjustments	\$ -	\$ 1,011
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (5,406)	\$ (5,136)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,295	\$ 1,227
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Village Water

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 9,256	\$ 1,761
3	Allocation of Corp Structures & Improvements	1,075	205
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 10,331</u>	<u>\$ 1,965</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,348	\$ 447
10	Meter replacement cost	16,901	NA
11	(Less) Retirement of existing meters	(7,442)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 11,806</u>	<u>\$ 447</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			\$ -
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (60,364)</u>	<u>\$ (347,551)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,267	\$ 241
33	Allocation of Corp Structures & Improvements	110	21
34		-	-
35	PSC Depr Rate Correction	(295)	(1,901)
36		-	-
37	Total 2007 Adjustments	<u>\$ 1,082</u>	<u>\$ (1,639)</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 20	\$ 4
41	Meter Replacements		
42	Retirement of existing meters	(7,442)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	236	NA
44	Salvage	268	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (6,917)</u>	<u>\$ 4</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Village Water

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	43	13
12	Total 2007 Adjustments	\$ 43	\$ 13
13			
14	Pro Forma Adjustments		
15		-	-
16			
17		-	-
18			
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (13,109)	\$ (2,487)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 3,135	\$ 596
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Valencia Terrace

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 17,808	\$ 17,556
3	Allocation of Corp Structures & Improvements	2,069	2,040
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 19,877</u>	<u>\$ 19,596</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 4,517	\$ 4,453
10	Meter replacement cost	16,380	NA
11	(Less) Retirement of existing meters	(16,710)	NA
12	SCADA - Telemetry system	25,000	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 29,187</u>	<u>\$ 4,453</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (61,108)</u>	<u>\$ (61,627)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 2,437	\$ 2,403
33	Allocation of Corp Structures & Improvements	212	209
34		-	-
35	PSC Depr Rate Correction	44	156
36		-	-
37	Total 2007 Adjustments	<u>\$ 2,694</u>	<u>\$ 2,769</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 39	\$ 38
41	Meter Replacements		
42	Retirement of existing meters	(16,710)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	(8)	NA
44	Salvage	1,253	NA
45	SCADA - Telemetry system	694	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (14,732)</u>	<u>\$ 38</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Valencia Terrace

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	53	155
12	Total 2007 Adjustments	\$ 53	\$ 155
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	192	263
16			
17		-	-
18			
19	Total Pro Forma Adjustments	\$ 192	\$ 263
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (25,219)	\$ (24,867)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 24,222	\$ 24,254
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Venetian Village

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 8,300	\$ 4,779
3	Allocation of Corp Structures & Improvements	964	555
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 9,265</u>	<u>\$ 5,334</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 2,105	\$ 1,212
10	Meter replacement cost	33,180	NA
11	(Less) Retirement of existing meters	(7,697)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 27,588</u>	<u>\$ 1,212</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (70,103)</u>	<u>\$ (81,929)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,136	\$ 654
33	Allocation of Corp Structures & Improvements	99	57
34		-	-
35	PSC Depr Rate Correction	28	(6)
36		-	-
37	Total 2007 Adjustments	<u>\$ 1,263</u>	<u>\$ 706</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 18	\$ 10
41	Meter Replacements		
42	Retirement of existing meters	(7,697)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	637	NA
44	Salvage	562	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (6,481)</u>	<u>\$ 10</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Venetian Village

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	394	547
12	Total 2007 Adjustments	\$ 394	\$ 547
13			
14	Pro Forma Adjustments		
15		-	-
16		-	-
17		-	-
18		-	-
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (11,758)	\$ (6,757)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 9,398	\$ 5,801
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Welaka/Saratoga Harbour

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 7,797	NA
3	Allocation of Corp Structures & Improvements	906	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 8,703</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 1,978	NA
10	Meter replacement cost	12,863	NA
11	(Less) Retirement of existing meters	(6,954)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 7,886</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (24,398)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 1,067	NA
33	Allocation of Corp Structures & Improvements	93	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	116	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 1,276</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 17	NA
41	Meter Replacements		
42	Retirement of existing meters	(6,954)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	148	NA
44	Salvage	216	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (6,573)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Welaka/Saratoga Harbour

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	113	NA
12	Total 2007 Adjustments	<u>\$ 113</u>	<u>\$ -</u>
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	-	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	<u>\$ -</u>	<u>\$ -</u>
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (11,028)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 9,232	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Wootens

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 1,459	NA
3	Allocation of Corp Structures & Improvements	169	NA
4		-	
5	Entity Reclassification	-	NA
6	Total 2007 Adjustments	<u>\$ 1,628</u>	<u>\$ -</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 370	NA
10	Meter replacement cost	5,880	NA
11	(Less) Retirement of existing meters	(3,534)	NA
12		-	
13			NA
14		-	
15			NA
16	Total Pro Forma Adjustments	<u>\$ 2,716</u>	<u>\$ -</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			NA
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (478)</u>	<u>NA</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 200	NA
33	Allocation of Corp Structures & Improvements	17	NA
34	PSC Audit Adjustments	-	NA
35	PSC Depr Rate Correction	41	NA
36	Correction for UPIS Reclassification	-	NA
37	Total 2007 Adjustments	<u>\$ 258</u>	<u>\$ -</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 3	NA
41	Meter Replacements		
42	Retirement of existing meters	(3,534)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	59	NA
44	Salvage	101	NA
45		-	
46	#VALUE!		NA
47		-	
48	#VALUE!		NA
49		-	
50			NA
51	Total Pro Forma Adjustments	<u>\$ (3,371)</u>	<u>\$ -</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Wootens

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2	PSC Audit Adjustments	\$ -	NA
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	NA
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10	PSC Audit Adjustments	\$ -	NA
11	PSC Depr Rate Correction	(141)	NA
12	Total 2007 Adjustments	\$ (141)	\$ -
13			
14	Pro Forma Adjustments		
15	Correct Test Year Accumulated Amortization of CIAC	173	
16			NA
17		-	
18			NA
19	Total Pro Forma Adjustments	\$ 173	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (2,054)	\$ -
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 1,649	\$ -
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Zephyr Shores

Line No.	Description	Water	Sewer
1	PLANT IN SERVICE		
2	Allocation of Corporate IT	\$ 26,209	\$ 26,007
3	Allocation of Corp Structures & Improvements	3,045	3,022
4		-	-
5		-	-
6	Total 2007 Adjustments	<u>\$ 29,254</u>	<u>\$ 29,029</u>
7			
8	Pro Forma Adjustments		
9	Allocation of Corporate IT	\$ 6,648	\$ 6,597
10	Meter replacement cost	44,673	NA
11	(Less) Retirement of existing meters	(12,459)	NA
12		-	-
13		-	-
14		-	-
15		-	-
16	Total Pro Forma Adjustments	<u>\$ 38,861</u>	<u>\$ 6,597</u>
17			
18	UTILITY LAND & LAND RIGHTS		
19	Total 2007 Adjustments	<u>\$ -</u>	<u>\$ -</u>
20		<u>\$ -</u>	<u>\$ -</u>
21			
22	Pro Forma Adjustments		
23			<u>\$ -</u>
24			
25	NON-USED & USEFUL		
26	To reflect calculated Adjusted NU&U amounts	<u>\$ (152,216)</u>	<u>\$ (95,948)</u>
27			
28	CONSTRUCTION WORK IN PROGRESS		
29	Not Applicable	<u>\$ -</u>	<u>\$ -</u>
30			
31	ACCUMULATED DEPRECIATION		
32	Allocation of Corporate IT	\$ 3,587	\$ 3,560
33	Allocation of Corp Structures & Improvements	313	310
34		-	-
35	PSC Depr Rate Correction	39	-
36		-	-
37	Total 2007 Adjustments	<u>\$ 3,939</u>	<u>\$ 3,870</u>
38			
39	Pro Forma Adjustments		
40	New PCs, Network & Telephone Upgrade	\$ 57	\$ 57
41	Meter Replacements		
42	Retirement of existing meters	(12,459)	NA
43	6 Month Net Acc Depr (Addns less Retirements)	805	NA
44	Salvage	761	NA
45		-	-
46		-	-
47		-	-
48		-	-
49		-	-
50		-	-
51	Total Pro Forma Adjustments	<u>\$ (10,836)</u>	<u>\$ 57</u>

Aqua Utilities Florida, Inc.
Rate Base Adjustments
Zephyr Shores

Line No.	(1) Description	(2) Water	(3) Sewer
1	CIAC		
2		\$ -	\$ -
3	Total 2007 Adjustments	\$ -	\$ -
4			
5	Pro Forma Adjustments		
6		\$ -	\$ -
7	Total Pro Forma Adjustments	\$ -	\$ -
8			
9	ACCUMULATED AMORTIZATION OF CIAC		
10		\$ -	\$ -
11	PSC Depr Rate Correction	1,014	1,592
12	Total 2007 Adjustments	\$ 1,014	\$ 1,592
13			
14	Pro Forma Adjustments		
15		-	-
16		-	-
17		-	-
18		-	-
19	Total Pro Forma Adjustments	\$ -	\$ -
20			
21	ACQUISITION ADJUSTMENTS		
22	Negative Acquisition Adjustment	\$ (37,112)	\$ (36,814)
23			
24	ACCUMULATED AMORT. OF ACQ. ADJUSTMENTS		
25	Not Applicable	\$ -	\$ -
26			
27	ADVANCES FOR CONSTRUCTION		
28	Not Applicable	\$ -	\$ -
29			
30	WORKING CAPITAL ALLOWANCE		
31			
32	Recommended Working Capital	\$ 32,440	\$ 32,278
33			
34	Pro Forma Adjustments		
35	Deferred Rate Case Expense	\$ -	\$ -

Aqua Utilities Florida, Inc.
Expense Adjustments
48 Estates

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (56)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (56)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	65
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	101
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	20
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	2,676
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(58)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(37)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 506	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
48 Estates

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 725	NA
4	Allocation of Corp Structures & Improvements	12	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(380)	NA
7	PSC Depr Rate Correction, Amort CIAC	2,806	NA
8	Reduction for NU&U	(245)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 2,918	NA
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14		-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (3) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	(5) NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(40) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (47)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (1,794)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (1,794)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 1,583	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
48 Estates

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 22	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 22	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 197	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 60	\$ -
4	601/701	Market Based Increases	\$ 2,463	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (34)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (210)	\$ -
8	601/701	Reduce President Salary	\$ (97)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 237	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (3)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ (585)	\$ -
		Adjustment to Fuel for Power Production for Fueling Generators		
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (1)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (136)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (3,302)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (118)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (23)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (72)	\$ -
35	636/736	Adjustment to Deferred Maintenance	\$ (373)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 143	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (28)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (2)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (88)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (195)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (32)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (71)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (2,270)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
48 Estates

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 312	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	90	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(39)	NA
9	TOTAL	\$ 363	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	16	NA
15	TOTAL	\$ 16	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 20	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(158)	NA
20	Property taxes associated with Pro Forma plant	288	
21	Property Tax adjustment for Non-Used & Useful plant	(7)	NA
22	TOTAL	\$ 144	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 523	NA
26	TOTAL	\$ 523	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,225)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 13,809	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 41	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 621	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 30,783	NA
44	Plus Required Revenue Adjustment	13,809	NA
45	Rate Year Revenue at Proposed Rates	\$ 44,591	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (39,726)	NA
48	Less Interest Expense	(1,631)	NA
49	Taxable Income	\$ 3,234	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,248	NA
51	Less Income Tax at Present Rates	3,823	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 5,071	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Arredondo Estates/Farms

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (308)	
4		Billed less Booked Revenue		\$ (693)
5		TOTAL REVENUE ADJUSTMENTS	\$ (308)	\$ (693)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees		\$ (40)
9	601/701	Normalize 2007 employee terminations & New Hires	\$ -	\$ 238
		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)		
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	#N/A	716
20	633/733	Contractual Services - Legal	#N/A	141
21	634/734	Contractual Services - Mgmt. Fees	-	84
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	12,669
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(244)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(157)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(322)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 535	\$ 12,977
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Arredondo Estates/Farms

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 5,154	\$ 3,072	
4	Allocation of Corp Structures & Improvements	88	53	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	(2,582)	6,352	
7	PSC Depr Rate Correction, Amort CIAC	(591)	-	
8	Reduction for NU&U	(4,375)	(1,890)	
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (2,307)	\$ 7,586	
10				
11				
12	D AMORTIZATION			
13		\$ -	\$ -	
14		-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	\$ -	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (14)	\$ (31)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	1,225	725
21	Property tax adjustment	Distributing from Water to Water & Sewer	(2,155)	2,155
22	Property tax adjustment	NU&U portion of Property Taxes	(1,636)	(207)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (2,580)	\$ 2,643	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ (798)	\$ (10,490)	
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (798)	\$ (10,490)	
29				
30	TOTAL EXPENSE ADJUSTMENTS	\$ (5,150)	\$ 12,716	

Aqua Utilities Florida, Inc.
Expense Adjustments
Arredondo Estates/Farms

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ -	\$ 91
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ -	\$ 91
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 721
5	601/701		Market Based Increases	\$ 257
4	601/701			\$ -
5	601/701			\$ -
6	601/701		Reduction in Meter Readers	\$ (224)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (888)
8	601/701		Reduce President Salary	\$ (412)
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 460
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (15)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies	Normalize Test Year Maintenance Expense	\$ (172)
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (6)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (577)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (23,463) \$ (13,985)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (502)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (96)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (305)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 608
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (118)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (10)
47	660/760		Remove Lobbying Expenses	\$ (374)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (21,479) \$ (3,495)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (135)
55	675/775		Remove Test Year Fines and Penalties	\$ (4)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (44,942)	\$ (19,271)

Aqua Utilities Florida, Inc.
Expense Adjustments
Arredondo Estates/Farms

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	642	383
4			
5			
6			
7			
8			(165)
9	TOTAL	\$ 642	\$ 218
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 154	\$ 77
19	Property taxes associated with 2007 plant additions, allocations, adjustments	2,279	(153)
20	Property taxes associated with Pro Forma plant	126	75
21	Property Tax adjustment for Non-Used & Useful plant	(579)	7
22	TOTAL	\$ 1,980	\$ 6
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,514	\$ 7,601
26	TOTAL	\$ 1,514	\$ 7,601
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (40,806)	\$ (11,446)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 53,163	\$ 54,696
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 159	\$ 164
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 2,392	\$ 2,461
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 153,106	\$ 101,445
44	Plus Required Revenue Adjustment	53,163	54,696
45	Rate Year Revenue at Proposed Rates	\$ 206,269	\$ 156,140
46			
47	Less Operating Expenses Before Income Taxes	\$ (189,334)	\$ (148,945)
48	Less Interest Expense	(6,208)	(2,727)
49	Taxable Income	\$ 10,727	\$ 4,468
50	Income Tax at Composite Rate of 38.575%	\$ 4,138	\$ 1,723
51	Less Income Tax at Present Rates	15,386	18,363
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 19,523	\$ 20,086
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Beecher's Point

Line No.	Acct	Description	2007 Water	2007 Sewer	
1		TEST YEAR ADJUSTMENTS - 2007			
2	A	REVENUES			
3		Billed less Booked Revenue	\$ (186)		
4		Billed less Booked Revenue		\$ (136)	
5		TOTAL REVENUE ADJUSTMENTS	\$ (186)	\$ (136)	
6					
7	B	OPERATIONS & MAINTENANCE			
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 425	\$ (112)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	63	12
10	603/703	Salaries & Wages - Officers, Exec.		-	
11	604/704	Employee Pensions & Benefits		-	
12	610/710	Purchased Water / Sewer Treatment	Normalize Beecher's Point Purchased Water	8,765	4,654
13	NA /711	Sludge Removal Expense		-	
14	615/715	Purchased Power		-	
15	616/716	Fuel for Purchased Power		-	
16	618/718	Chemicals		-	
17	620/720	Materials & Supplies		-	
18	631/731	Contractual Services - Engineering		-	
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	62	21
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	12	4
21	634/734	Contractual Services - Mgmt. Fees		-	
22	634/734			-	
23	634/734			-	
24	635/735	Contractual Services - Testing		-	
25	636/736	Contractual Services - Other		-	
26	641/741	Rental of Building/Real Prop.		-	
27	642/742	Rental of Equipment		-	
28	650/750	Transportation Expenses		-	
29	656/756	Insurance - Vehicle		-	
30	657/757	Insurance - General Liability		-	
31	658/758	Insurance - Workman's Comp.		-	
32	659/759	Insurance - Other		-	
33	660/760	Advertising Expense		-	
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-	
35	667/767	Reg. Comm. Exp. - Rate Case Other		-	
36	670/770	Bad Debt Expense		-	
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(6,244)	(4,455)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(35)	(12)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(23)	(8)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(7,535)	
41					
42		TOTAL O&M ADJUSTMENTS	\$ (4,509)	\$ 104	
43					

Aqua Utilities Florida, Inc.
Expense Adjustments
Beecher's Point

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 444	\$ 154	
4	Allocation of Corp Structures & Improvements	8	3	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	74	97	
7	PSC Depr Rate Correction, Amort CIAC	(44)	1,548	
8	Reduction for NU&U	(2,537)	(9,369)	
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (2,056)</u>	<u>\$ (7,567)</u>	
10				
11				
12	D AMORTIZATION			
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 530	\$ 222	
14		-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 530</u>	<u>\$ 222</u>	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (8)	\$ (6)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	138	28
21	Property tax adjustment	Distributing from Water to Water & Sewer	(6,378)	6,378
22	Property tax adjustment	NU&U portion of Property Taxes	(1,789)	(1,884)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (8,038)</u>	<u>\$ 4,516</u>	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ 5,052	\$ (9)	
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 5,052</u>	<u>\$ (9)</u>	
29				
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (9,021)</u>	<u>\$ (2,734)</u>	

Aqua Utilities Florida, Inc.
Expense Adjustments
Beecher's Point

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 13	\$ 5	
2			\$ -	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 13</u>	<u>\$ 5</u>	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 190	\$ 35
5	601/701		Market Based Increases	\$ 201	\$ 5
4	601/701			\$ -	\$ -
5	601/701		Reduction in Meter Readers	\$ (21)	\$ (7)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (128)	\$ (44)
7	601/701		Reduce President Salary	\$ (59)	\$ (20)
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 197	\$ 122
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)	\$ (1)
13	610/710	Purchased Water / Sewer Treatment		\$ -	\$ -
14	NA /711	Sludge Removal Expense		\$ -	\$ -
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power		\$ -	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$ (0)
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (83)	\$ (29)
26	634/734			\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (2,020)	\$ (699)
28	635/735	Contractual Services - Testing		\$ -	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (72)	\$ (25)
31	636/736			\$ -	\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (6)	\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (14)	\$ (5)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (44)	\$ (15)
35	636/736			\$ -	\$ -
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 88	\$ 30
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (17)	\$ (6)
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760		Remove Advertising Expenses	\$ (1)	\$ (0)
47	660/760		Remove Lobbying Expenses	\$ (54)	\$ (19)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770		Adjustment to Bad Debt	\$ (72)	\$ (112)
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775		Normalize Relocation Expenses	\$ (19)	\$ (7)
55	675/775		Remove Test Year Fines and Penalties	\$ 5	\$ (1)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57					
58					
59		TOTAL O&M ADJUSTMENTS	<u>\$ (1,934)</u>	<u>\$ (797)</u>	

Aqua Utilities Florida, Inc.
Expense Adjustments
Beecher's Point

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 42	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	55	19
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(24)	(8)
9	TOTAL	\$ 73	\$ 11
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	(972)
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ (972)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 30	\$ 3
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(79)	(206)
20	Property taxes associated with Pro Forma plant	139	4
21	Property Tax adjustment for Non-Used & Useful plant	(38)	60
22	TOTAL	\$ 52	\$ (140)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 636	\$ 739
26	TOTAL	\$ 636	\$ 739
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,173)	\$ (1,159)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 28,036	\$ 51,987
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 84	\$ 155
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 1,262	\$ 2,339
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 25,969	\$ 17,071
44	Plus Required Revenue Adjustment	28,036	51,987
45	Rate Year Revenue at Proposed Rates	\$ 54,005	\$ 69,058
46			
47	Less Operating Expenses Before Income Taxes	\$ (51,140)	\$ (61,306)
48	Less Interest Expense	(965)	(2,600)
49	Taxable Income	\$ 1,900	\$ 5,151
50	Income Tax at Composite Rate of 38.575%	\$ 733	\$ 1,987
51	Less Income Tax at Present Rates	9,563	17,104
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 10,296	\$ 19,091
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Chuluota

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ 442	
4		Billed less Booked Revenue		\$ 85,842
		Adjustment for 122 customers not billed		
5		TOTAL REVENUE ADJUSTMENTS	\$ 442	\$ 85,842
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (2,310)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	425
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	719
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	142
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	20,415
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(410)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(264)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(559)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 43,223	\$ 18,717
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Chuluota

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 12,116	\$ 5,171
4	Allocation of Corp Structures & Improvements	208	89
5			
6	PSC Depr Rate Correction, Depr Expn	1,610	207
7	PSC Depr Rate Correction, Amort CIAC	5,623	105,818
8	Reduction for NU&U	(4,356)	(208,062)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 15,201	\$ (96,778)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 3,950	\$ 751
14			
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 3,950	\$ 751
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ 20	\$ 3,863
20	Payroll tax adjustment	2,386	926
21	Property tax adjustment	(30,726)	30,726
22	Property tax adjustment	(1,589)	(14,862)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (29,910)	\$ 20,653
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (39,199)	\$ 36,531
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (39,199)	\$ 36,531
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (6,735)	\$ (20,126)

Aqua Utilities Florida, Inc.
Expense Adjustments
Chuluota

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 360	\$ 154
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 360	\$ 154
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 2,817	\$ 1,288
5	601/701	Market Based Increases	\$ 2,327	\$ 959
4	601/701	Lake County Facility Operator II	\$ 55	\$ -
5	601/701		\$ -	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (3,499)	\$ (1,494)
7	601/701	Reduction in Meter Readers	\$ (563)	\$ (240)
8	601/701	Reduce President Salary	\$ (1,624)	\$ (693)
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 2,649	\$ 1,215
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (58)	\$ (25)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators \$ (1,225)	\$ (383)
17	618/718	Chemicals	Ammonia for Chloramination in Chuluota \$ 22,680	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (23)	\$ (10)
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (2,274)	\$ (971)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (55,161)	\$ (23,541)
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (1,978)	\$ (845)
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (377)	\$ (161)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (1,202)	\$ (513)
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 2,395	\$ 1,022
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (464)	\$ (198)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (39)	\$ (17)
47	660/760	Remove Lobbying Expenses	\$ (1,473)	\$ (629)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (9,495)	\$ (1,068)
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (532)	\$ (227)
55	675/775	Remove Test Year Fines and Penalties	\$ (45,498)	\$ (741)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10-	\$ (1)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (92,564)	\$ (27,271)

Aqua Utilities Florida, Inc.
Expense Adjustments
Chuluota

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 2,180	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	1,510	644
4			
5			326
6			
7			
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(649)	(277)
9	TOTAL	\$ 3,041	\$ 693
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(10,658)	(66,745)
14	Remove U&U Adjustment to Test Year Amortization of CIAC		
15	TOTAL	\$ (10,658)	\$ (66,745)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 400	\$ 175
19	Property taxes associated with 2007 plant additions, allocations, adjustments	3,709	56,741
20	Property taxes associated with Pro Forma plant	2,217	466
21	Property Tax adjustment for Non-Used & Useful plant	(175)	(27,670)
22	TOTAL	\$ 6,151	\$ 29,712
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 35,683	\$ 24,441
26	TOTAL	\$ 35,683	\$ 24,441
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (58,346)	\$ (39,169)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (25,828)	\$ (1,509)
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (77)	\$ (5)
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (1,162)	\$ (68)
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 772,865	\$ 522,462
44	Plus Required Revenue Adjustment	(25,828)	(1,509)
45	Rate Year Revenue at Proposed Rates	\$ 747,037	\$ 520,953
46			
47	Less Operating Expenses Before Income Taxes	\$ (537,377)	\$ (378,652)
48	Less Interest Expense	(71,453)	(48,202)
49	Taxable Income	\$ 138,207	\$ 94,100
50	Income Tax at Composite Rate of 38.575%	\$ 53,313	\$ 36,299
51	Less Income Tax at Present Rates	(62,798)	(36,853)
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (9,485)	\$ (554)
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Carlton Village

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (911)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (911)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 296
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	169
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	291
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	57
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	1,189
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(166)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(107)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 1,730	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Carlton Village

Line No	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)	\$	NA
3	Allocation of Corporate IT	2,090	NA
4	Allocation of Corp Structures & Improvements	36	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	151	NA
7	PSC Depr Rate Correction, Amort CIAC	1,275	NA
8	Reduction for NU&U	(5,238)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (1,686)</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION	\$	NA
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	822	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 822</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX	\$	NA
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	(193)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	454	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(1,986)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (1,724)</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES	\$	NA
27	Income tax impact of the adjustments to per book income	(1,340)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (1,340)</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (2,199)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Carlton Village

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 62	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 62</u>	<u>NA</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 513 \$ -
5	601/701		Market Based Increases	\$ 365 \$ -
4	601/701		Lake County Facility Operator II	\$ 298 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (97) \$ -
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (604) \$ -
8	601/701		Reduce President Salary	\$ (280) \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 476 \$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (10) \$ -
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA/711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4) \$ -
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (393) \$ -
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (9,517) \$ -
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (342) \$ -
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (65) \$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (208) \$ -
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 414 \$ -
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (80) \$ -
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (7) \$ -
47	660/760		Remove Lobbying Expenses	\$ (254) \$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (2,358) \$ -
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (92) \$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (179) \$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (12,425)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Carlton Village

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 372	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	261	NA
4			
5			NA
6			
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(112)	NA
9	TOTAL	\$ 521	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(944)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	998	NA
15	TOTAL	\$ 54	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 68	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(180)	NA
20	Property taxes associated with Pro Forma plant	392	
21	Property Tax adjustment for Non-Used & Useful plant	(81)	NA
22	TOTAL	\$ 199	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 4,398	NA
26	TOTAL	\$ 4,398	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (7,253)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (47,703)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (143)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (2,147)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 119,223	NA
44	Plus Required Revenue Adjustment	(47,703)	NA
45	Rate Year Revenue at Proposed Rates	\$ 71,520	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (60,839)	NA
48	Less Interest Expense	(3,735)	NA
49	Taxable Income	\$ 6,946	NA
50	Income Tax at Composite Rate of 38.575%	\$ 2,679	NA
51	Less Income Tax at Present Rates	(20,198)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (17,518)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
East Lake Harris Estates

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (188)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (188)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	137
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	210
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	41
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	4,104
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(120)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(77)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 3,964	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
East Lake Harris Estates

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,510	NA
4	Allocation of Corp Structures & Improvements	26	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	57	NA
7	PSC Depr Rate Correction, Amort CIAC	(76)	NA
8	Reduction for NU&U	(5,477)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (3,960)	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 980	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 980	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (8)	NA
20	Payroll tax adjustment	358	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(1,386)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (1,037)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (2,879)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (2,879)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (2,931)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
East Lake Harris Estates

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 45	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 45	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 416	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 332	\$ -
4	601/701	Market Based Increases	\$ 321	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (70)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (436)	\$ -
8	601/701	Reduce President Salary	\$ (202)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 311	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (7)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (3)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (283)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (6,876)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (246)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (47)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (150)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 298	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (58)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (5)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (184)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (8)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (66)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (73)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (7,035)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
East Lake Harris Estates

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 572	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	188	NA
4		-	NA
5		-	NA
6		-	NA
7		-	NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(81)	NA
9	TOTAL	\$ 679	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 58	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(241)	NA
20	Property taxes associated with Pro Forma plant	531	NA
21	Property Tax adjustment for Non-Used & Useful plant	(70)	NA
22	TOTAL	\$ 278	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 2,080	NA
26	TOTAL	\$ 2,080	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,998)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 36,998	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 111	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 1,665	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 41,941	NA
44	Plus Required Revenue Adjustment	36,998	NA
45	Rate Year Revenue at Proposed Rates	\$ 78,939	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (54,979)	NA
48	Less Interest Expense	(8,058)	NA
49	Taxable Income	\$ 15,901	NA
50	Income Tax at Composite Rate of 38.575%	\$ 6,134	NA
51	Less Income Tax at Present Rates	7,453	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 13,587	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Fl Central Commerce Park

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	NA	
4		Billed less Booked Revenue		\$ 1,434
5		TOTAL REVENUE ADJUSTMENTS	NA	\$ 1,434
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (11,856)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	524
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	77
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	15
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(38,931)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(44)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(28)
40				
41				
42		TOTAL O&M ADJUSTMENTS	NA	\$ (50,243)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
FI Central Commerce Park

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	NA	\$ 555
4	Allocation of Corp Structures & Improvements	NA	10
5	PSC Audit Adjustments	NA	-
6	PSC Depr Rate Correction, Depr Expn	NA	988
7	PSC Depr Rate Correction, Amort CIAC	NA	50,007
8	Reduction for NU&U	NA	(40,282)
9	TOTAL DEPRECIATION ADJUSTMENTS	NA	\$ 11,277
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	NA	\$ 817
14	-	NA	-
15	TOTAL AMORTIZATION ADJUSTMENTS	NA	\$ 817
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ 65
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	(725)
21	Property tax adjustment	Distributing from Water to Water & Sewer	-
22	Property tax adjustment	NU&U portion of Property Taxes	(12,058)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	NA	\$ (12,718)
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	NA	\$ 19,334
28	TOTAL INCOME TAX ADJUSTMENTS	NA	\$ 19,334
29			
30	TOTAL EXPENSE ADJUSTMENTS	NA	\$ (31,534)

Aqua Utilities Florida, Inc.
Expense Adjustments
FI Central Commerce Park

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ -	\$ 16
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	NA	\$ 16
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 1,587
5	601/701		Market Based Increases	\$ 1,564
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (26)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (160)
7	601/701		Reduce President Salary	\$ (74)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 2,261
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies	Reduction per Staff Audit Finding No. 16	\$ (302)
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (104)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (2,525)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (90)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Abnormal Repair and Maintenance Expenses Florida Commerca	\$ (11,447)
34	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (17)
35	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (55)
36	636/736		Adjustment to Deferred Maintenance	\$ (13,552)
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 109
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (21)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (2)
47	660/760		Remove Lobbying Expenses	\$ (67)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (1,602)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (24)
55	675/775		Remove Test Year Fines and Penalties	\$ (251)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	NA	\$ (24,802)

Aqua Utilities Florida, Inc.
Expense Adjustments
FI Central Commerce Park

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	NA	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	NA	69
4		NA	
5			
6		NA	
7			
8		NA	(30)
9	TOTAL	NA	\$ 39
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	NA	(29,198)
14	Remove U&U Adjustment to Test Year Amortization of CIAC	NA	-
15	TOTAL	NA	\$ (29,198)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	NA	\$ 241
19	Property taxes associated with 2007 plant additions, allocations, adjustments	NA	(952)
20	Property taxes associated with Pro Forma plant		14
21	Property Tax adjustment for Non-Used & Useful plant	NA	451
22	TOTAL	NA	\$ (246)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	NA	\$ 20,781
26	TOTAL	NA	\$ 20,781
27			
28	TOTAL EXPENSE ADJUSTMENTS	NA	\$ (33,426)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	NA	\$ 89,819
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	NA	\$ 269
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	NA	\$ 4,042
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	NA	\$ 152,449
44	Plus Required Revenue Adjustment	NA	89,819
45	Rate Year Revenue at Proposed Rates	NA	\$ 242,268
46			
47	Less Operating Expenses Before Income Taxes	NA	\$ (235,188)
48	Less Interest Expense	NA	(2,534)
49	Taxable Income	NA	\$ 4,546
50	Income Tax at Composite Rate of 38.575%	NA	\$ 1,754
51	Less Income Tax at Present Rates	NA	31,231
52			
53	Income Tax Adjustment for Requested Revenue Increase	NA	\$ 32,985
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Friendly Center

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (79)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ (79)</u>	<u>NA</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	42
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA/711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	37
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	7
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(10,004)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(21)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(14)
40				
41				
42		TOTAL O&M ADJUSTMENTS	<u>\$ (9,974)</u>	<u>NA</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Friendly Center

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 265	NA
4	Allocation of Corp Structures & Improvements	5	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	47	NA
7	PSC Depr Rate Correction, Amort CIAC	536	NA
8	Reduction for NU&U	(413)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 439	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 114	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 114	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (4)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	56	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(45)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 7	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 3,567	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 3,567	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (5,847)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Friendly Center

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 8	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 8	\$ NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 128
5	601/701	Market Based Increases		\$ 137
4	601/701	Lake County Facility Operator II		\$ 9
5	601/701			\$ -
6	601/701	Reduction in Meter Readers		\$ (12)
7	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (77)
8	601/701	Reduce President Salary		\$ (36)
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 190
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (17)
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (50)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (1,204)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (43)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (8)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (26)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 52
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (10)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (1)
47	660/760		Remove Lobbying Expenses	\$ (32)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (166)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (12)
55	675/775		Remove Test Year Fines and Penalties	\$ (21)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (1,201)	\$ NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Friendly Center

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 120	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	33	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(14)	NA
9	TOTAL	\$ 139	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(300)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (300)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 20	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(10)	NA
20	Property taxes associated with Pro Forma plant	110	
21	Property Tax adjustment for Non-Used & Useful plant	(32)	NA
22	TOTAL	\$ 88	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 434	NA
26	TOTAL	\$ 434	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (839)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 1,358	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 4	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 61	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 12,276	NA
44	Plus Required Revenue Adjustment	1,358	NA
45	Rate Year Revenue at Proposed Rates	\$ 13,634	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (12,949)	NA
48	Less Interest Expense	(243)	NA
49	Taxable Income	\$ 442	NA
50	Income Tax at Composite Rate of 38.575%	\$ 170	NA
51	Less Income Tax at Present Rates	328	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 499	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Fern Terrace

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (377)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (377)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires \$ (1,744)	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%) 101	-
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees 148	-
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful 29	-
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations 3,048	-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses (85)	-
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways (54)	-
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 1,443	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Fern Terrace

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,067	NA
4	Allocation of Corp Structures & Improvements	18	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	52	NA
7	PSC Depr Rate Correction, Amort CIAC	676	NA
8	Reduction for NU&U	(2,514)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (702)</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 699	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 699</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (17)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	136	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(565)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (446)</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (995)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (995)</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (1)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Fern Terrace

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 32	\$ -
3			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 32</u>	<u>NA</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 305	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 142	\$ -
4	601/701	Market Based Increases	\$ 2,514	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (50)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (308)	\$ -
8	601/701	Reduce President Salary	\$ (143)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 299	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (5)	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA/711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (2)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (200)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (4,856)	\$ -
28	635/735	Contractual Services - Testing	\$ (474)	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (174)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (33)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (106)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 211	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (41)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ (3)	\$ -
46	660/760	Remove Advertising Expenses	\$ (130)	\$ -
47	660/760	Remove Lobbying Expenses	\$ -	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (654)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (47)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (70)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (3,823)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Fern Terrace

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 507	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	133	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(57)	NA
9	TOTAL	\$ 583	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(439)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (439)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 35	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(5)	NA
20	Property taxes associated with Pro Forma plant	443	
21	Property Tax adjustment for Non-Used & Useful plant	(207)	NA
22	TOTAL	\$ 266	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,080	NA
26	TOTAL	\$ 1,080	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (2,333)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (8,850)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (26)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (398)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 48,399	NA
44	Plus Required Revenue Adjustment	(8,850)	NA
45	Rate Year Revenue at Proposed Rates	\$ 39,550	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (34,252)	NA
48	Less Interest Expense	(1,852)	NA
49	Taxable Income	\$ 3,445	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,329	NA
51	Less Income Tax at Present Rates	(4,579)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (3,250)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Gibsonia Estates

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	Credit adjmnt for Dec '06 was made in Jan '07.	
4		Billed less Booked Revenue	\$ 6,542	NA
5		TOTAL REVENUE ADJUSTMENTS	\$ 6,542	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 142
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	147
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	232
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	46
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	9,794
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(133)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(85)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 10,143	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Gibsonia Estates

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 1,672	NA	
4	Allocation of Corp Structures & Improvements	29	NA	
5	PSC Audit Adjustments	-	NA	
6	PSC Depr Rate Correction, Depr Expn	61	NA	
7	PSC Depr Rate Correction, Amort CIAC	(585)	NA	
8	Reduction for NU&U	(2,451)	NA	
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (1,275)	NA	
10				
11				
12	D AMORTIZATION			
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ -	NA	
14	-	-	NA	
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ 294	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	359	NA
21	Property tax adjustment		-	NA
22	Property tax adjustment	NU&U portion of Property Taxes	(23)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 631	NA	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ (3,009)	NA	
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (3,009)	NA	
29				
30	TOTAL EXPENSE ADJUSTMENTS	\$ 6,490	NA	

Aqua Utilities Florida, Inc.
Expense Adjustments
Gibsonia Estates

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 50	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 50	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 445	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 408	\$ -
4	601/701	Market Based Increases	\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (645)	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (483)	\$ -
7	601/701	Reduce President Salary	\$ (224)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 636	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (8)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA/711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (3)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (314)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (7,614)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (273)	\$ -
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (2,094)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (52)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (166)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 330	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (64)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (5)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (203)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (535)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (73)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (67)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (11,004)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Gibsonia Estates

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 274	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	208	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(90)	NA
9	TOTAL	\$ 393	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(299)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (299)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 66	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(95)	NA
20	Property taxes associated with Pro Forma plant	315	
21	Property Tax adjustment for Non-Used & Useful plant	(55)	NA
22	TOTAL	\$ 231	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 4,040	NA
26	TOTAL	\$ 4,040	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (6,639)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 44,039	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 132	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 1,982	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 24,742	NA
44	Plus Required Revenue Adjustment	44,039	NA
45	Rate Year Revenue at Proposed Rates	\$ 68,781	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (53,837)	NA
48	Less Interest Expense	(5,097)	NA
49	Taxable Income	\$ 9,846	NA
50	Income Tax at Composite Rate of 38.575%	\$ 3,798	NA
51	Less Income Tax at Present Rates	12,375	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 16,173	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Grand Terrace

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (272)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (272)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	\$ (2,377)	\$ -
9	601/701	Normalize 2007 employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	91	-
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	131	-
20	633/733	Contractual Services - Legal	26	-
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	(9,000)	-
38	675/775	Normalize 2007 Intercompany allocations Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(75)	-
39	675/775	Normalize 2007 Intercompany misallocation due to Fairways	(48)	-
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (11,252)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Grand Terrace

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 939	NA
4	Allocation of Corp Structures & Improvements	16	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	70	NA
7	PSC Depr Rate Correction, Amort CIAC	325	NA
8	Reduction for NU&U	(1,410)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (60)	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 614	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 614	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (12)	NA
20	Payroll tax adjustment	55	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(441)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (397)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 3,471	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 3,471	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (7,625)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Grand Terrace

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 28	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 28	NA
4				
4	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 277 \$ -
5	601/701		Market Based Increases	\$ 67 \$ -
4	601/701		Lake County Facility Operator II	\$ 2,576 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (44) \$ -
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (271) \$ -
8	601/701		Reduce President Salary	\$ (126) \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 266 \$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4) \$ -
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA/711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (17) \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ -
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (176) \$ -
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (4,273) \$ -
28	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$ (832) \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (153) \$ -
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (29) \$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (93) \$ -
35	636/736		Adjustment to Deferred Maintenance	\$ (363) \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 186 \$ -
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (36) \$ -
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (3) \$ -
47	660/760		Remove Lobbying Expenses	\$ (114) \$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (378) \$ -
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (41) \$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (47) \$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (3,632)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Grand Terrace

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 455	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	117	NA
4			NA
5			NA
6			NA
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(50)	NA
9	TOTAL	\$ 522	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(60)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (60)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 27	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(3)	NA
20	Property taxes associated with Pro Forma plant	394	
21	Property Tax adjustment for Non-Used & Useful plant	(151)	NA
22	TOTAL	\$ 267	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 909	NA
26	TOTAL	\$ 909	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,994)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 4,621	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 14	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 208	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 33,237	NA
44	Plus Required Revenue Adjustment	4,621	NA
45	Rate Year Revenue at Proposed Rates	\$ 37,858	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (30,889)	NA
48	Less Interest Expense	(2,401)	NA
49	Taxable Income	\$ 4,568	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,762	NA
51	Less Income Tax at Present Rates	(65)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 1,697	NA
54			
55			

Aquia Utilities Florida, Inc.
Expense Adjustments
Harmony Homes

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (216)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (216)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	94
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	76
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	15
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(12,742)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(43)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(28)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(307)
41				
42		TOTAL O&M ADJUSTMENTS	\$ (13,052)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Harmony Homes

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 546	NA
4	Allocation of Corp Structures & Improvements	9	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	12	NA
7	PSC Depr Rate Correction, Amort CIAC	38	NA
8	Reduction for NU&U	(217)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 388	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 348	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 348	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (10)	NA
20	Payroll tax adjustment	132	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(83)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 40	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 3,981	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 3,981	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (8,296)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Harmony Homes

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 16	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 16	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 286	\$ -
5	601/701	Market Based Increases	\$ 295	\$ -
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (25)	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (158)	\$ -
7	601/701	Reduce President Salary	\$ (73)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 322	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ 322	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (1)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (103)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (2,486)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (89)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (17)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (54)	\$ -
35	636/736	Adjustment to Deferred Maintenance	\$ (324)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 108	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (21)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (2)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (67)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (1,332)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (24)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (47)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (3,816)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Harmony Homes

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 97	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	68	NA
4		-	NA
5			NA
6		-	NA
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(29)	NA
9	TOTAL	\$ 135	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(25)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (25)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 45	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	11	NA
20	Property taxes associated with Pro Forma plant	98	NA
21	Property Tax adjustment for Non-Used & Useful plant	(9)	NA
22	TOTAL	\$ 145	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,352	NA
26	TOTAL	\$ 1,352	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (2,209)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 6,553	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 20	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 295	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 30,233	NA
44	Plus Required Revenue Adjustment	6,553	NA
45	Rate Year Revenue at Proposed Rates	\$ 36,786	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (31,513)	NA
48	Less Interest Expense	(1,814)	NA
49	Taxable Income	\$ 3,458	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,334	NA
51	Less Income Tax at Present Rates	1,072	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 2,406	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Hobby Hills

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (218)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (218)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 195
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	85
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	123
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	24
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(8,900)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(70)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(45)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(48)
41				
42		TOTAL O&M ADJUSTMENTS	\$ (8,635)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Hobby Hills

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 887	NA
4	Allocation of Corp Structures & Improvements	15	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	4	NA
7	PSC Depr Rate Correction, Amort CIAC	234	NA
8	Reduction for NU&U	(1,024)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 117	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 533	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 533	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (10)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	239	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(172)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 57	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 2,722	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 2,722	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (5,206)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Hobby Hills

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 26	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 26	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 258	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 208	\$ -
4	601/701	Market Based Increases	\$ 37	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (41)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (256)	\$ -
8	601/701	Reduce President Salary	\$ (119)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 230	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (4)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ (17)	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (2)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (167)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (4,040)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (145)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (28)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (88)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 175	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (34)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (3)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (108)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (1,314)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (39)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (44)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (5,539)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Hobby Hills

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 383	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	111	NA
4			
5			NA
6			
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(48)	NA
9	TOTAL	\$ 446	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(146)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (146)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 36	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(9)	NA
20	Property taxes associated with Pro Forma plant	356	
21	Property Tax adjustment for Non-Used & Useful plant	(125)	NA
22	TOTAL	\$ 258	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,737	NA
26	TOTAL	\$ 1,737	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,243)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 7,518	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 22	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 338	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 25,189	NA
44	Plus Required Revenue Adjustment	7,518	NA
45	Rate Year Revenue at Proposed Rates	\$ 32,707	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (29,406)	NA
48	Less Interest Expense	(1,157)	NA
49	Taxable Income	\$ 2,143	NA
50	Income Tax at Composite Rate of 38.575%	\$ 827	NA
51	Less Income Tax at Present Rates	1,934	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 2,761	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Hermits Cove

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (469)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (469)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	113
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA/711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	217
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	43
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	6,941
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(124)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(80)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 6,928	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Hermits Cove

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,561	NA
4	Allocation of Corp Structures & Improvements	27	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	3,773	NA
7	PSC Depr Rate Correction, Amort CIAC	(33)	NA
8	Reduction for NU&U	(4,247)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 1,082</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 963	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 963</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (21) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	380 NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(1,462) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (1,103)</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (7,517)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (7,517)</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 352</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Hermits Cove

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 46	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 46	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 343
5	601/701		Market Based Increases	\$ 257
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (73)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (451)
7	601/701		Reduce President Salary	\$ (209)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 265
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (293)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (7,109)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (255)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (49)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (155)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 309
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (60)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (5)
47	660/760		Remove Lobbying Expenses	\$ (190)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (967)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (69)
55	675/775		Remove Test Year Fines and Penalties	\$ (67)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (8,786)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Hermits Cove

PRO FORMA ADJUSTMENTS, continued			Water	Sewer	
Line No.	Description				
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)				
2	Meter Replacements	6 Month Net Depr (Addns less Retirements)	\$ 641	NA	
3	Allocation of new corp. PCs and Network & Telephony enhancements		195	NA	
4			-		
5				NA	
6			-		
7				NA	
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(84)	NA	
9	TOTAL		\$ 752	NA	
10					
11					
12	D AMORTIZATION				
13	Correct Test Year Amortization of CIAC		238	NA	
14	Remove U&U Adjustment to Test Year Amortization of CIAC		6	NA	
15	TOTAL		\$ 244	NA	
16					
17	E TAXES OTHER THAN INCOME TAX				
18	Payroll tax adjustment	On Salary & Wage adjustments explained above	\$ 47	NA	
19	Property taxes associated with 2007 plant additions, allocations, adjustments		(307)	NA	
20	Property taxes associated with Pro Forma plant		624		
21	Property Tax adjustment for Non-Used & Useful plant		(48)	NA	
22	TOTAL		\$ 315	NA	
23					
24	F INCOME TAXES				
25	Income tax impact of the adjustments to per book income		\$ 2,553	NA	
26	TOTAL		\$ 2,553	NA	
27					
28	TOTAL EXPENSE ADJUSTMENTS		\$ (4,923)	NA	
29					
30					
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
32					
33	A NET OPERATING REVENUE				
34	Required Revenue Adjustment		\$ 64,133	NA	
35					
36	B OPERATION & MAINTENANCE EXPENSE				
37	Bad Debt Adjustment Due To Proposed Rate Increase		\$ 192	NA	
38					
39	E TAXES OTHER THAN INCOME TAX				
40	RAF on Revenue Adjustment @	4.500%	\$ 2,886	NA	
41					
42	F INCOME TAX ADJUSTMENT				
43	Rate Year Revenue at Present Rates		\$ 43,661	NA	
44	Plus Required Revenue Adjustment		64,133	NA	
45	Rate Year Revenue at Proposed Rates		\$ 107,794	NA	
46					
47	Less Operating Expenses Before Income Taxes		\$ (71,968)	NA	
48	Less Interest Expense		(12,053)	NA	
49	Taxable Income		\$ 23,773	NA	
50	Income Tax at Composite Rate of	38.575%	\$ 9,170	NA	
51	Less Income Tax at Present Rates		14,382	NA	
52					
53	Income Tax Adjustment for Requested Revenue Increase		\$ 23,552	NA	
54					
55					

Aqua Utilities Florida, Inc.
Expense Adjustments
Holiday Haven

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (150)	
4		Billed less Booked Revenue		\$ (479)
5		TOTAL REVENUE ADJUSTMENTS	\$ (150)	\$ (479)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 559 \$ 160
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	70 114
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	Normalize Holiday Haven Purchased Water	375 -
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	148 131
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	29 26
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(5,841) (3,293)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(85) (75)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(54) (48)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(7,930)	
41		Excess I&I adjustment for Purchased Treatment, Power, and Chemicals		(764)
42		TOTAL O&M ADJUSTMENTS	\$ (12,728)	\$ (3,749)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Holiday Haven

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,067	\$ 947
4	Allocation of Corp Structures & Improvements	18	16
5		-	-
6	PSC Depr Rate Correction, Depr Expn	-	83
7	PSC Depr Rate Correction, Amort CIAC	722	(2,275)
8	Reduction for NU&U	(331)	(6,874)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 1,476</u>	<u>\$ (8,103)</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 620	\$ 515
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 620</u>	<u>\$ 515</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (7)	\$ (22)
20	Payroll tax adjustment	308	274
21	Property tax adjustment	(4,879)	4,879
22	Property tax adjustment	(98)	(1,578)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (4,676)</u>	<u>\$ 3,553</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 5,418	\$ (334)
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 5,418</u>	<u>\$ (334)</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (9,890)</u>	<u>\$ (8,117)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Holiday Haven

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 32	\$ 28
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 32</u>	<u>\$ 28</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 211 \$ 346
5	601/701		Market Based Increases	\$ 159 \$ 271
4	601/701			\$ - \$ -
5	601/701		Reduction in Meter Readers	\$ (50) \$ (44)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (308) \$ (273)
7	601/701		Reduce President Salary	\$ (143) \$ (127)
8	601/701			\$ - \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 170 \$ 362
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5) \$ (4)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (13) \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ (2)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (200) \$ (177)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (4,856) \$ (4,312)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (174) \$ (154)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (33) \$ (29)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (106) \$ (94)
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 211 \$ 187
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (41) \$ (36)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (3) \$ (3)
47	660/760		Remove Lobbying Expenses	\$ (130) \$ (115)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (261) \$ 7
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (47) \$ (42)
55	675/775		Remove Test Year Fines and Penalties	\$ (52) \$ (75)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (5,671)</u>	<u>\$ (4,315)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Holiday Haven

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 132	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	133	118
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(57)	(51)
9	TOTAL	\$ 208	\$ 67
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(231)	3,862
14	Remove U&U Adjustment to Test Year Amortization of CIAC	43	-
15	TOTAL	\$ (188)	\$ 3,862
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 29	\$ 48
19	Property taxes associated with 2007 plant additions, allocations, adjustments	56	(327)
20	Property taxes associated with Pro Forma plant	253	23
21	Property Tax adjustment for Non-Used & Useful plant	(59)	98
22	TOTAL	\$ 278	\$ (158)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,982	\$ 311
26	TOTAL	\$ 1,982	\$ 311
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,391)	\$ (233)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 20,255	\$ 57,793
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 61	\$ 173
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 911	\$ 2,601
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 37,653	\$ 53,541
44	Plus Required Revenue Adjustment	20,255	57,793
45	Rate Year Revenue at Proposed Rates	\$ 57,908	\$ 111,335
46			
47	Less Operating Expenses Before Income Taxes	\$ (53,934)	\$ (87,780)
48	Less Interest Expense	(1,376)	(7,935)
49	Taxable Income	\$ 2,598	\$ 15,619
50	Income Tax at Composite Rate of 38.575%	\$ 1,002	\$ 6,025
51	Less Income Tax at Present Rates	6,436	15,199
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 7,438	\$ 21,224
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Haines Creek

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (208)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (208)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires \$ (1,484)	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%) 76	-
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees 131	-
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful 26	-
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations (6,602)	-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses (75)	-
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways (48)	-
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(16)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (7,992)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Haines Creek

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 947	NA
4	Allocation of Corp Structures & Improvements	16	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(228)	NA
7	PSC Depr Rate Correction, Amort CIAC	(561)	NA
8	Reduction for NU&U	(74)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 100</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14		-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (9)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	120	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(16)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ 95</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 2,510	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 2,510</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (5,287)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Haines Creek

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 28	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 28	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 230	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 88	\$ -
4	601/701	Market Based Increases	\$ 2,482	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (44)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (273)	\$ -
8	601/701	Reduce President Salary	\$ (127)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 329	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ (4)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ (125)	\$ -
		Adjustment to Fuel for Power Production for Fueling Generators		
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (2)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (177)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (4,312)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (154)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (29)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (94)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 187	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (36)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (3)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (115)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (1,464)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (42)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (5)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (3,690)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Haines Creek

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 436	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	118	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(51)	NA
9	TOTAL	\$ 504	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 25	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	251	NA
20	Property taxes associated with Pro Forma plant	446	
21	Property Tax adjustment for Non-Used & Useful plant	(25)	NA
22	TOTAL	\$ 696	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 710	NA
26	TOTAL	\$ 710	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,779)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 10,879	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 33	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 490	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 22,054	NA
44	Plus Required Revenue Adjustment	10,879	NA
45	Rate Year Revenue at Proposed Rates	\$ 32,933	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (27,708)	NA
48	Less Interest Expense	(1,756)	NA
49	Taxable Income	\$ 3,470	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,338	NA
51	Less Income Tax at Present Rates	2,657	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 3,995	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Interlachen Lake/Park Manor

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (586)	
4		Billed less Booked Revenue		\$ (132)
5		TOTAL REVENUE ADJUSTMENTS	\$ (586)	\$ (132)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 177 \$ 603
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	158 60
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	342 37
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	67 7
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	12,209 (6,196)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(195) (21)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(125) (14)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(1,251)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 11,381	\$ (5,524)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Interlachen Lake/Park Manor

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 2,457	\$ 265
4	Allocation of Corp Structures & Improvements	42	5
5		-	-
6	PSC Depr Rate Correction, Depr Expn	91	-
7	PSC Depr Rate Correction, Amort CIAC	(753)	16
8	Reduction for NU&U	(251)	(1,409)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 1,586	\$ (1,124)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 1,402	\$ 185
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 1,402	\$ 185
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (51)	\$ (6)
20	Payroll tax adjustment	595	107
21	Property tax adjustment	-	-
22	Property tax adjustment	(264)	(60)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 280	\$ 41
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (4,763)	\$ 2,251
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (4,763)	\$ 2,251
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 9,886	\$ (4,170)

Aqua Utilities Florida, Inc.
Expense Adjustments
Interlachen Lake/Park Manor

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 73	\$ 8
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 73	\$ 8
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 478	\$ 181
5	601/701	Market Based Increases	\$ 332	\$ 168
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (114)	\$ (12)
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (710)	\$ (77)
7	601/701	Reduce President Salary	\$ (329)	\$ (36)
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 355	\$ 310
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12)	\$ (1)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (5)	\$ (1)
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (461)	\$ (50)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (11,188)	\$ (1,204)
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (401)	\$ (43)
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (76)	\$ (8)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (244)	\$ (26)
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 486	\$ 52
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (94)	\$ (10)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (8)	\$ (1)
47	660/760	Remove Lobbying Expenses	\$ (299)	\$ (32)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (1,595)	\$ (193)
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (108)	\$ (12)
55	675/775	Remove Test Year Fines and Penalties	\$ (1,061)	\$ (0)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (15,056)	\$ (996)

Aqua Utilities Florida, Inc.
Expense Adjustments
Interlachen Lake/Park Manor

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 515	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	306	33
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(132)	(14)
9	TOTAL	\$ 690	\$ 19
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	67	-
15	TOTAL	\$ 67	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 68	\$ 27
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(82)	(38)
20	Property taxes associated with Pro Forma plant	522	6
21	Property Tax adjustment for Non-Used & Useful plant	(32)	15
22	TOTAL	\$ 475	\$ 10
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 5,147	\$ 395
26	TOTAL	\$ 5,147	\$ 395
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (8,677)	\$ (572)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (5,104)	\$ 13,915
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (15)	\$ 42
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (230)	\$ 626
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 76,092	\$ 14,932
44	Plus Required Revenue Adjustment	(5,104)	13,915
45	Rate Year Revenue at Proposed Rates	\$ 70,988	\$ 28,847
46			
47	Less Operating Expenses Before Income Taxes	\$ (63,448)	\$ (27,663)
48	Less Interest Expense	(2,600)	(405)
49	Taxable Income	\$ 4,941	\$ 779
50	Income Tax at Composite Rate of 38.575%	\$ 1,906	\$ 301
51	Less Income Tax at Present Rates	(3,780)	4,810
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (1,874)	\$ 5,110
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Imperial Mobile Terrace

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (410)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (410)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	127
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	294
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	58
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	6,131
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(168)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(108)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 4,041	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Imperial Mobile Terrace

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 2,116	NA
4	Allocation of Corp Structures & Improvements	36	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	1	NA
7	PSC Depr Rate Correction, Amort CIAC	(1,114)	NA
8	Reduction for NU&U	(567)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 472	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 1,348	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 1,348	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (18)	NA
20	Payroll tax adjustment	347	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(170)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 159	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (4,623)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (4,623)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 1,397	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Imperial Mobile Terrace

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 63	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 63	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 386	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 109	\$ -
4	601/701	Market Based Increases	\$ 2,511	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (98)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (611)	\$ -
8	601/701	Reduce President Salary	\$ (283)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ -	\$ -
12	604/704	Increase in Benefit costs/head in 2008	\$ 336	\$ -
13	610/710	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (10)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA/711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
18	620/720	Remove Abnormal Test Year Maintenance Expense Imperial Mobile Terrace	\$ (3,324)	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ -	\$ -
21	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (397)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (9,634)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (345)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Reduction per Staff Audit Finding No. 11	\$ (4,986)	\$ -
34	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (66)	\$ -
35	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (210)	\$ -
36	636/736	Adjustment to Deferred Maintenance	\$ (237)	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ -	\$ -
40	650/750	Adjust fuel to \$3.36/gal	\$ 418	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ -	\$ -
42	657/757	Remove Executive Risk Insurance Expenses	\$ (81)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (7)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (257)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ 54	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (93)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (3,430)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (20,259)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Imperial Mobile Terrace

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 1,017	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	264	NA
4	Increase to Plant per Staff Audit Finding No. 11	58	
5			NA
6			
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(113)	NA
9	TOTAL	\$ 1,225	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 39	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(120)	NA
20	Property taxes associated with Pro Forma plant	896	
21	Property Tax adjustment for Non-Used & Useful plant	(61)	NA
22	TOTAL	\$ 753	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 6,567	NA
26	TOTAL	\$ 6,567	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (11,714)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 17,748	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 53	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 799	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 52,167	NA
44	Plus Required Revenue Adjustment	17,748	NA
45	Rate Year Revenue at Proposed Rates	\$ 69,916	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (49,606)	NA
48	Less Interest Expense	(6,874)	NA
49	Taxable Income	\$ 13,436	NA
50	Income Tax at Composite Rate of 38.575%	\$ 5,183	NA
51	Less Income Tax at Present Rates	1,335	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 6,518	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Jungle Den

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (174)	
4		Billed less Booked Revenue		\$ (7,829)
		Cap not applied in 2007		
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ (174)</u>	<u>\$ (7,829)</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 150 \$ (69)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	52 130
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Jungle Den Purchased Water	208 -
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	136 162
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	27 32
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(3,240) 1,421
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(78) (93)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(50) (60)
40				
41		TOTAL O&M ADJUSTMENTS	<u>\$ (2,794)</u>	<u>\$ 1,523</u>
42				
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Jungle Den

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 981	\$ 1,169
4	Allocation of Corp Structures & Improvements	17	20
5		-	-
6		-	-
7	PSC Depr Rate Correction, Amort CIAC	736	10,758
8	Reduction for NU&U	(56)	(6,854)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 1,678	\$ 5,093
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 624	\$ 649
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 624	\$ 649
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (8)	\$ (352)
20	Payroll tax adjustment On Salary & Wage adjustments explained above	248	285
21	Property tax adjustment Distributing from Water to Water & Sewer	(5,531)	5,531
22	Property tax adjustment NU&U portion of Property Taxes	(9)	(1,166)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (5,300)	\$ 4,298
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 1,933	\$ (10,036)
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 1,933	\$ (10,036)
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (3,859)	\$ 1,527

Aqua Utilities Florida, Inc.
Expense Adjustments
Jungle Den

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 29	\$ 35
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 29	\$ 35
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 158	\$ 393
5	601/701	4.0% Wage increase effective 4/1/08	\$ 56	\$ 289
4	601/701	Reduction in Meter Readers	\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ -	\$ (54)
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (283)	\$ (338)
7	601/701	Reduce President Salary	\$ (131)	\$ (157)
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 110	\$ 384
	604/704	Increase in Benefit costs/head in 2008	\$ -	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5)	\$ (6)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA/711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ -	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)	\$ (2)
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (184)	\$ (219)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (4,467)	\$ (5,322)
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (160)	\$ (191)
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Abnormal Repairs Jungel Den Repoart water pipe	\$ (1,000)	\$ (840)
34	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (30)	\$ (36)
35	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (97)	\$ (116)
36	636/736	Adjustment to Deferred Maintenance	\$ -	\$ (136)
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 194	\$ 231
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (38)	\$ (45)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (3)	\$ (4)
47	660/760	Remove Lobbying Expenses	\$ (119)	\$ (142)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ 10	\$ 80
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (43)	\$ (51)
55	675/775	Remove Test Year Fines and Penalties	\$ (1)	\$ (2)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (6,037)	\$ (6,285)

Aqua Utilities Florida, Inc.
Expense Adjustments
Jungle Den

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 145	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	122	146
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(53)	(63)
9	TOTAL	\$ 215	\$ 83
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(480)	(7,349)
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ (480)	\$ (7,349)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 20	\$ 53
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(16)	(165)
20	Property taxes associated with Pro Forma plant	194	29
21	Property Tax adjustment for Non-Used & Useful plant	(7)	29
22	TOTAL	\$ 192	\$ (55)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 2,303	\$ 5,300
26	TOTAL	\$ 2,303	\$ 5,300
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,807)	\$ (8,305)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 17,982	\$ 43,306
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 54	\$ 130
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 809	\$ 1,949
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 17,185	\$ 38,384
44	Plus Required Revenue Adjustment	17,982	43,306
45	Rate Year Revenue at Proposed Rates	\$ 35,167	\$ 81,691
46			
47	Less Operating Expenses Before Income Taxes	\$ (32,896)	\$ (62,278)
48	Less Interest Expense	(777)	(6,526)
49	Taxable Income	\$ 1,495	\$ 12,887
50	Income Tax at Composite Rate of 38.575%	\$ 577	\$ 4,971
51	Less Income Tax at Present Rates	6,027	10,933
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 6,604	\$ 15,904
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Jasmine Lakes

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	Credit adjmmt for Dec '06 was made in Jan '07.	
4		Billed less Booked Revenue	\$ 24,038	\$ (2,950)
5		TOTAL REVENUE ADJUSTMENTS	\$ 24,038	\$ (2,950)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (1,269) \$ (758)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	618 666
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	1,851 1,841
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	365 364
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	68,953 75,951
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(1,057) (1,052)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(679) (676)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(177)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 68,605	\$ 76,337
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Jasmine Lakes

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 13,319	\$ 13,251	
4	Allocation of Corp Structures & Improvements	229	228	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	(47,577)	22,604	
7	PSC Depr Rate Correction, Amort CIAC	(32,204)	(3,073)	
8		-	-	
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (66,233)</u>	<u>\$ 33,009</u>	
10				
11				
12	D AMORTIZATION			
13		\$ -	\$ -	
14		-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ 1,082	\$ (133)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	3,241	3,307
21	Property tax adjustment	Distributing from Water to Water & Sewer	(8,922)	8,922
22	Property tax adjustment		-	-
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (4,599)</u>	<u>\$ 12,096</u>	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ 2,860	\$ (71,819)	
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 2,860</u>	<u>\$ (71,819)</u>	
29				
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 633</u>	<u>\$ 49,622</u>	

Aqua Utilities Florida, Inc.
Expense Adjustments
Jasmine Lakes

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 396	\$ 394
2		Record Street Lighting and Garbage Revenue Above the Line	\$ 194,539	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 194,935</u>	<u>\$ 394</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 1,872	\$ 2,018
5	601/701	4.0% Wage increase effective 4/1/08	\$ 856	\$ 1,000
4	601/701	Market Based Increases	\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (8,889)	\$ (2,604)
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (3,847)	\$ (3,828)
7	601/701	Reduce President Salary	\$ (1,785)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 1,007	\$ 1,506
	604/704	Increase in Benefit costs/head in 2008	\$ -	\$ -
		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (63)	\$ (63)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ 16,057
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ -	\$ -
		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (26)	\$ (26)
22	633/733	Normalize Legal Expenses Booked in Error	\$ -	\$ 5,142
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (2,500)	\$ (2,487)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (60,639)	\$ (60,328)
28	635/735	Contractual Services - Testing	\$ -	\$ (3,071)
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (2,175)	\$ (2,164)
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (6,877)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (414)	\$ (412)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (1,322)	\$ (1,315)
35	636/736	Adjustment to Deferred Maintenance	\$ (510)	\$ (1,140)
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 2,633	\$ 2,620
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (510)	\$ (507)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (43)	\$ (43)
47	660/760	Remove Lobbying Expenses	\$ (1,620)	\$ (1,612)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (9,386)	\$ (4,021)
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775		\$ -	\$ -
55	675/775	Normalize Relocation Expenses	\$ (1,344)	\$ (1,125)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (95,582)</u>	<u>\$ (56,402)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Jasmine Lakes

PRO FORMA ADJUSTMENTS, continued					
Line No.	Description		Water	Sewer	
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
2		Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 2,229	NA	
3		Allocation of new corp. PCs and Network & Telephony enhancements	1,660	1,651	
4			-	-	
5			-	-	
6			-	-	
7			-	-	
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(714)	(710)	
9		TOTAL	\$ 3,175	\$ 941	
10					
11					
12	D	AMORTIZATION			
13		Correct Test Year Amortization of CIAC	-	-	
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	-	
15		TOTAL	\$ -	\$ -	
16					
17	E	TAXES OTHER THAN INCOME TAX			
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 216	\$ 238	
19		Property taxes associated with 2007 plant additions, allocations, adjustments	(11,816)	17,883	
20		Property taxes associated with Pro Forma plant	2,588	325	
21		Property Tax adjustment for Non-Used & Useful plant	-	-	
22		TOTAL	\$ (9,012)	\$ 18,446	
23					
24	F	INCOME TAXES			
25		Income tax impact of the adjustments to per book income	\$ 113,126	\$ 15,368	
26		TOTAL	\$ 113,126	\$ 15,368	
27					
28		TOTAL EXPENSE ADJUSTMENTS	\$ 11,707	\$ (21,648)	
29					
30					
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
32					
33	A	NET OPERATING REVENUE			
34		Required Revenue Adjustment	\$ (351,412)	\$ 327,289	
35					
36	B	OPERATION & MAINTENANCE EXPENSE			
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ (1,051)	\$ 979	
38					
39	E	TAXES OTHER THAN INCOME TAX			
40		RAF on Revenue Adjustment @	4.500% \$ (15,814)	\$ 14,728	
41					
42	F	INCOME TAX ADJUSTMENT			
43		Rate Year Revenue at Present Rates	\$ 652,636	\$ 371,077	
44		Plus Required Revenue Adjustment	(351,412)	327,289	
45		Rate Year Revenue at Proposed Rates	\$ 301,223	\$ 698,366	
46					
47		Less Operating Expenses Before Income Taxes	\$ (230,872)	\$ (525,124)	
48		Less Interest Expense	(21,942)	(59,362)	
49		Taxable Income	\$ 48,410	\$ 113,881	
50		Income Tax at Composite Rate of	38.575% \$ 18,674	\$ 43,929	
51		Less Income Tax at Present Rates	(147,726)	76,264	
52					
53		Income Tax Adjustment for Requested Revenue Increase	\$ (129,052)	\$ 120,193	
54					
55					

Aqua Utilities Florida, Inc.
Expense Adjustments
Kings Cove

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (16)	
4		Billed less Booked Revenue		\$ (755)
5		TOTAL REVENUE ADJUSTMENTS	\$ (16)	\$ (755)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 866 \$ (95)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	140 143
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	248 237
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	49 47
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(3,876) (8,005)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(142) (135)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(91) (87)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (2,806)	\$ (7,896)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Kings Cove

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,783	\$ 1,707
4	Allocation of Corp Structures & Improvements	31	29
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(1,964)	(1,471)
7	PSC Depr Rate Correction, Amort CIAC	(8,707)	(21,965)
8	Reduction for NU&U	(106)	2,649
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (8,964)</u>	<u>\$ (19,051)</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	\$ -
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (1) \$ (34)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	502 418
21	Property tax adjustment	Distributing from Water to Water & Sewer	(1,978) 1,978
22	Property tax adjustment	NU&U portion of Property Taxes	(114) (524)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (1,592)</u>	<u>\$ 1,838</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 4,207	\$ 8,499
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 4,207</u>	<u>\$ 8,499</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (9,155)</u>	<u>\$ (16,609)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Kings Cove

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 53	\$ 51
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 53</u>	<u>\$ 51</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 424	\$ 434
5	601/701	Market Based Increases	\$ 322	\$ 307
4	601/701	Lake County Facility Operator II	\$ 343	\$ -
5	601/701		\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (83)	\$ (79)
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (515)	\$ (493)
8	601/701	Reduce President Salary	\$ (239)	\$ (229)
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 360	\$ 409
	604/704	Increase in Benefit costs/head in 2008	\$ (8)	\$ (8)
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (3)	\$ (3)
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (335)	\$ (320)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (8,119)	\$ (7,769)
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (291)	\$ (279)
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (55)	\$ (53)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (177)	\$ (169)
35	636/736	Adjustment to Deferred Maintenance	\$ (757)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 353	\$ 337
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (68)	\$ (65)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (6)	\$ (6)
47	660/760	Remove Lobbying Expenses	\$ (217)	\$ (208)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ 443	\$ (76)
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (78)	\$ (75)
55	675/775	Remove Test Year Fines and Penalties	\$ (119)	\$ (180)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (8,827)</u>	<u>\$ (8,525)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Kings Cove

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 694	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	222	213
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(96)	(91)
9	TOTAL	\$ 820	\$ 121
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 58	\$ 58
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(2,130)	(991)
20	Property taxes associated with Pro Forma plant	734	42
21	Property Tax adjustment for Non-Used & Useful plant	110	251
22	TOTAL	\$ (1,229)	\$ (640)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 3,179	\$ 3,630
26	TOTAL	\$ 3,179	\$ 3,630
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (6,056)	\$ (5,414)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (48,336)	\$ (64,438)
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (145)	\$ (193)
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (2,175)	\$ (2,900)
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 61,898	\$ 73,373
44	Plus Required Revenue Adjustment	(48,336)	(64,438)
45	Rate Year Revenue at Proposed Rates	\$ 13,561	\$ 8,935
46			
47	Less Operating Expenses Before Income Taxes	\$ (3,778)	\$ (3,545)
48	Less Interest Expense	(3,486)	(2,004)
49	Taxable Income	\$ 6,297	\$ 3,386
50	Income Tax at Composite Rate of 38.575%	\$ 2,429	\$ 1,306
51	Less Income Tax at Present Rates	(20,180)	(24,970)
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (17,751)	\$ (23,664)
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Kingswood

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (114)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (114)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	\$ (30)	\$ -
9	601/701	Redistribute Admin employee terminations & New Hires Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	55	-
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	984	-
13	NA/711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	76	-
20	633/733	Contractual Services - Legal	15	-
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	(10,272)	-
38	675/775	Normalize 2007 Intercompany allocations	(43)	-
		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses		
39	675/775	Normalize 2007 Intercompany misallocation due to Fairways	(28)	-
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (9,243)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Kingswood

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 546	NA
4	Allocation of Corp Structures & Improvements	9	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	10	NA
7	PSC Depr Rate Correction, Amort CIAC	8	NA
8	Reduction for NU&U	-	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 573</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 343	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 343</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (5) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	138 NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	-	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ 133</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 2,994	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 2,994</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (5,200)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Kingswood

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 16	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 16	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 168
5	601/701	Market Based Increases		\$ 165
4	601/701			\$ -
5	601/701	Reduction in Meter Readers		\$ (25)
6	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (158)
7	601/701	Reduce President Salary		\$ (73)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 174
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers		\$ (103)
26	634/734			\$ -
27	634/734	Remove Excess Costs Charged from Affiliates		\$ (2,486)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$ (89)
30	636/736			\$ -
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (17)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (54)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 108
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (21)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760	Remove Advertising Expenses		\$ (2)
47	660/760	Remove Lobbying Expenses		\$ (67)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (491)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (24)
55	675/775		Remove Test Year Fines and Penalties	\$ (1)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (3,000)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Kingswood

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	68	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(29)	NA
9	TOTAL	\$ 39	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 26	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	184	NA
20	Property taxes associated with Pro Forma plant	13	
21	Property Tax adjustment for Non-Used & Useful plant	-	NA
22	TOTAL	\$ 223	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,101	NA
26	TOTAL	\$ 1,101	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,637)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 16,996	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 51	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 765	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 15,553	NA
44	Plus Required Revenue Adjustment	16,996	NA
45	Rate Year Revenue at Proposed Rates	\$ 32,549	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (31,946)	NA
48	Less Interest Expense	(218)	NA
49	Taxable Income	\$ 385	NA
50	Income Tax at Composite Rate of 38.575%	\$ 149	NA
51	Less Income Tax at Present Rates	6,093	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 6,242	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Gibson Estates

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (649)	
4		Billed less Booked Revenue		\$ (1,629)
5		TOTAL REVENUE ADJUSTMENTS	\$ (649)	\$ (1,629)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (1,781) \$ (151)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	631 136
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Lake Gibson Purchased Wastewater	- 51,366
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	999 378
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	197 75
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	28,133 (43,359)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(571) (216)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(367) (139)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(61)
41				
42		TOTAL O&M ADJUSTMENTS	\$ 27,182	\$ 8,089
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Gibson Estates

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 7,193	\$ 2,722	
4	Allocation of Corp Structures & Improvements	124	47	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	70	3,271	
7	PSC Depr Rate Correction, Amort CIAC	14,086	13,900	
8	Reduction for NU&U	(1,860)	(87,782)	
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 19,613</u>	<u>\$ (67,842)</u>	
10				
11				
12	D AMORTIZATION			
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ -	\$ -	
14	-	-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (29)	\$ (73)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	1,622	656
21	Property tax adjustment	Distributing from Water to Water & Sewer	(41,677)	41,677
22	Property tax adjustment	NU&U portion of Property Taxes	(623)	(6,018)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (40,707)</u>	<u>\$ 36,242</u>	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ (6,415)	\$ 2,373	
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (6,415)</u>	<u>\$ 2,373</u>	
29				
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (327)</u>	<u>\$ (21,138)</u>	

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Gibson Estates

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 214	\$ 81
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 214	\$ 81
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 1,913	\$ 411
5	601/701	Market Based Increases	\$ 1,625	\$ 105
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (901)	\$ (126)
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (2,078)	\$ (786)
7	601/701	Reduce President Salary	\$ (964)	\$ (365)
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 1,571	\$ 274
	604/704	Increase in Benefit costs/head in 2008	\$ (34)	\$ (13)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ 55,766
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (14)	\$ (5)
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (1,350)	\$ (511)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (32,747)	\$ (12,392)
28	635/735	Contractual Services - Testing	\$ -	\$ (182)
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (1,175)	\$ (444)
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (2,000)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (224)	\$ (85)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (714)	\$ (270)
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 1,422	\$ 538
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (275)	\$ (104)
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (23)	\$ (9)
47	660/760	Remove Lobbying Expenses	\$ (875)	\$ (331)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (2,121)	\$ (279)
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (316)	\$ (120)
55	675/775	Remove Test Year Fines and Penalties	\$ (238)	\$ (949)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (39,519)	\$ 40,124

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Gibson Estates

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 1,338	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements	896	339
4			-	-
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(385)	(146)
9		TOTAL	\$ 1,849	\$ 193
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	(8,167)	(8,715)
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15		TOTAL	\$ (8,167)	\$ (8,715)
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 275	\$ 41
19		Property taxes associated with 2007 plant additions, allocations, adjustments	589	(705)
20		Property taxes associated with Pro Forma plant	1,354	67
21		Property Tax adjustment for Non-Used & Useful plant	(129)	92
22		TOTAL	\$ 2,089	\$ (505)
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 16,500	\$ (11,824)
26		TOTAL	\$ 16,500	\$ (11,824)
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (27,247)	\$ 19,273
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 100,142	\$ 255,115
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 299	\$ 763
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 4,506	\$ 11,480
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 141,016	\$ 97,133
44		Plus Required Revenue Adjustment	100,142	255,115
45		Rate Year Revenue at Proposed Rates	\$ 241,159	\$ 352,248
46				
47		Less Operating Expenses Before Income Taxes	\$ (209,333)	\$ (306,875)
48		Less Interest Expense	(11,082)	(15,367)
49		Taxable Income	\$ 20,743	\$ 30,006
50		Income Tax at Composite Rate of	38.575% \$ 8,002	\$ 11,575
51		Less Income Tax at Present Rates	28,774	82,113
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 36,776	\$ 93,688
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Josephine

Line No.	Acct	Description	2007 Water	2007 Sewer	
1		TEST YEAR ADJUSTMENTS - 2007			
2	A	REVENUES			
3		Billed less Booked Revenue	\$ (1,203)		
4		Billed less Booked Revenue		NA	
5		TOTAL REVENUE ADJUSTMENTS	\$ (1,203)	NA	
6					
7	B	OPERATIONS & MAINTENANCE			
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (272)	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	286	-
10	603/703	Salaries & Wages - Officers, Exec.		-	
11	604/704	Employee Pensions & Benefits		-	
12	610/710	Purchased Water / Sewer Treatment		-	
13	NA /711	Sludge Removal Expense		-	
14	615/715	Purchased Power		-	
15	616/716	Fuel for Purchased Power		-	
16	618/718	Chemicals		-	
17	620/720	Materials & Supplies		-	
18	631/731	Contractual Services - Engineering		-	
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	680	-
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	134	-
21	634/734	Contractual Services - Mgmt. Fees		-	
22	634/734			-	
23	634/734			-	
24	635/735	Contractual Services - Testing		-	
25	636/736	Contractual Services - Other		-	
26	641/741	Rental of Building/Real Prop.		-	
27	642/742	Rental of Equipment		-	
28	650/750	Transportation Expenses		-	
29	656/756	Insurance - Vehicle		-	
30	657/757	Insurance - General Liability		-	
31	658/758	Insurance - Workman's Comp.		-	
32	659/759	Insurance - Other		-	
33	660/760	Advertising Expense		-	
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-	
35	667/767	Reg. Comm. Exp. - Rate Case Other		-	
36	670/770	Bad Debt Expense		-	
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	24,357	-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(388)	-
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(249)	-
40					
41					
42		TOTAL O&M ADJUSTMENTS	\$ 24,547	NA	
43					

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Josephine

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 4,889	NA
4	Allocation of Corp Structures & Improvements	84	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	6,993	NA
7	PSC Depr Rate Correction, Amort CIAC	6,485	NA
8	Reduction for NU&U	(9,250)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 9,202	NA
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (54)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	1,146	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(3,937)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (2,845)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (14,196)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (14,196)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 16,708	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Josephine

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 145	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 145	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 866	\$ -
5	601/701	Market Based Increases	\$ 312	\$ -
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (760)	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (1,412)	\$ -
7	601/701	Reduce President Salary	\$ (655)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 486	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (23)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	Normalize Test Year Purchased Power \$ (3,795)	\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators \$ (242)	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (9)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (918)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (22,259)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (799)	\$ -
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (15,700)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (152)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (485)	\$ -
35	636/736	Adjustment to Deferred Maintenance	\$ (309)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 967	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (187)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (16)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (595)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (1,566)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (215)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ 177	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (47,290)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Josephine

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	609	NA
4	Build new WTP - Consent Order	5,023	
5			NA
6	Reduce Plant in Service per Staff Audit Finding No. 4	(10,615)	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(262)	NA
9	TOTAL	<u>\$ (5,245)</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	<u>\$ -</u>	<u>NA</u>
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 93	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	4,840	NA
20	Property taxes associated with Pro Forma plant	2,152	
21	Property Tax adjustment for Non-Used & Useful plant	(3,393)	NA
22	TOTAL	<u>\$ 3,692</u>	<u>NA</u>
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 18,846	NA
26	TOTAL	<u>\$ 18,846</u>	<u>NA</u>
27			
28	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (29,997)</u>	<u>NA</u>
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	<u>\$ 5,279</u>	<u>NA</u>
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	<u>\$ 16</u>	<u>NA</u>
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	<u>\$ 238</u>	<u>NA</u>
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 125,780	NA
44	Plus Required Revenue Adjustment	5,279	NA
45	Rate Year Revenue at Proposed Rates	<u>\$ 131,058</u>	<u>NA</u>
46			
47	Less Operating Expenses Before Income Taxes	\$ (117,270)	NA
48	Less Interest Expense	(4,825)	NA
49	Taxable Income	<u>\$ 8,963</u>	<u>NA</u>
50	Income Tax at Composite Rate of 38.575%	\$ 3,458	NA
51	Less Income Tax at Present Rates	(1,519)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	<u>\$ 1,938</u>	<u>NA</u>
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Osborne Estates

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ 250	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ 250	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (223)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	126
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Lake Osborne Purchased Water	(1,604)
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	556
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	110
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	12,970
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(318)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(204)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(165)
41				
42		TOTAL O&M ADJUSTMENTS	\$ 11,249	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Osborne Estates

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 4,002	NA
4	Allocation of Corp Structures & Improvements	69	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	2,646	NA
7	PSC Depr Rate Correction, Amort CIAC	55	NA
8	Reduction for NU&U	(43)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 6,729	NA
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ 11	NA
20	Payroll tax adjustment	970	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(31)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 950	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (7,461)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (7,461)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 11,467	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Osborne Estates

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 119	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 119	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 380	\$ -
5	601/701	Market Based Increases	\$ 79	\$ -
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (228)	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (1,156)	\$ -
7	601/701	Reduce President Salary	\$ (536)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 52	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (19)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (8)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (751)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (18,219)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (654)	\$ -
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (9,191)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (124)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (397)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 791	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (153)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (13)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (487)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ 76	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (176)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (490)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (31,224)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Osborne Estates

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 1,923	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	499	NA
4	Reduce Plant in Service per Staff Audit Finding No. 4	(84)	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(214)	NA
9	TOTAL	\$ 2,123	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 37	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	19	NA
20	Property taxes associated with Pro Forma plant	1,735	-
21	Property Tax adjustment for Non-Used & Useful plant	(63)	NA
22	TOTAL	\$ 1,729	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 9,717	NA
26	TOTAL	\$ 9,717	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (17,655)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 163,562	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 489	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 7,360	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 112,049	NA
44	Plus Required Revenue Adjustment	163,562	NA
45	Rate Year Revenue at Proposed Rates	\$ 275,611	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (266,793)	NA
48	Less Interest Expense	(2,964)	NA
49	Taxable Income	\$ 5,853	NA
50	Income Tax at Composite Rate of 38.575%	\$ 2,258	NA
51	Less Income Tax at Present Rates	57,808	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 60,066	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Leisure Lakes

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (434)	
4		Billed less Booked Revenue		\$ (408)
5		TOTAL REVENUE ADJUSTMENTS	\$ (434)	\$ (408)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (138) \$ (134)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	114 89
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	344 334
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	68 66
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(13,753) (14,487)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(196) (191)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(126) (123)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(185)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (13,872)	\$ (14,445)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Leisure Lakes

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 2,474	\$ 2,406
4	Allocation of Corp Structures & Improvements	42	41
5		-	-
6	PSC Depr Rate Correction, Depr Expn	58	182
7	PSC Depr Rate Correction, Amort CIAC	(2,386)	(3,103)
8	Reduction for NU&U	(211)	(2,245)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (22)</u>	<u>\$ (2,719)</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 1,344	\$ 1,269
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 1,344</u>	<u>\$ 1,269</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (23)	\$ (37)
20	Payroll tax adjustment On Salary & Wage adjustments explained above	597	576
21	Property tax adjustment	-	-
22	Property tax adjustment NU&U portion of Property Taxes	(23)	(750)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ 551</u>	<u>\$ (211)</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 2,073	\$ 5,444
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 2,073</u>	<u>\$ 5,444</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (9,927)</u>	<u>\$ (10,662)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Leisure Lakes

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 74	\$ 72
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 74	\$ 72
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 344 \$ 271
5	601/701		Market Based Increases	\$ 125 \$ 46
4	601/701			\$ - \$ -
5	601/701		Reduction in Meter Readers	\$ (348) \$ (126)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (715) \$ (695)
7	601/701		Reduce President Salary	\$ (332) \$ (322)
8	601/701			\$ - \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 192 \$ 52
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12) \$ (11)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (2) \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5) \$ (5)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (464) \$ (452)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (11,265) \$ (10,955)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (404) \$ (393)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Normalize Test Year Contractual Services Other	\$ (2,348) \$ (75)
34	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (77) \$ -
35	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (246) \$ (239)
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 489 \$ 476
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (95) \$ (92)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (8) \$ (8)
47	660/760		Remove Lobbying Expenses	\$ (301) \$ (293)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ 264 \$ 48
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (109) \$ (106)
55	675/775		Remove Test Year Fines and Penalties	\$ (19) \$ (13)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (15,335)	\$ (12,890)

Aqua Utilities Florida, Inc.
Expense Adjustments
Leisure Lakes

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	308	300
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(133)	(129)
9	TOTAL	<u>\$ 176</u>	<u>\$ 171</u>
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	141	-
15	TOTAL	<u>\$ 141</u>	<u>\$ -</u>
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 37	\$ 26
19	Property taxes associated with 2007 plant additions, allocations, adjustments	3,301	(193)
20	Property taxes associated with Pro Forma plant	61	59
21	Property Tax adjustment for Non-Used & Useful plant	(117)	52
22	TOTAL	<u>\$ 3,282</u>	<u>\$ (57)</u>
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 4,730	\$ 5,127
26	TOTAL	<u>\$ 4,730</u>	<u>\$ 5,127</u>
27			
28	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (7,006)</u>	<u>\$ (7,649)</u>
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	<u>\$ 26,879</u>	<u>\$ (816)</u>
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	<u>\$ 80</u>	<u>\$ (2)</u>
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	<u>\$ 1,210</u>	<u>\$ (37)</u>
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 56,571	\$ 68,437
44	Plus Required Revenue Adjustment	26,879	(816)
45	Rate Year Revenue at Proposed Rates	<u>\$ 83,450</u>	<u>\$ 67,622</u>
46			
47	Less Operating Expenses Before Income Taxes	\$ (66,454)	\$ (64,335)
48	Less Interest Expense	(5,739)	(1,142)
49	Taxable Income	<u>\$ 11,257</u>	<u>\$ 2,145</u>
50	Income Tax at Composite Rate of 38.575%	\$ 4,342	\$ 827
51	Less Income Tax at Present Rates	5,529	(1,127)
52			
53	Income Tax Adjustment for Requested Revenue Increase	<u>\$ 9,871</u>	<u>\$ (300)</u>
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Suzy

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (2,399)	
4		Billed less Booked Revenue		\$ (3,183)
5		TOTAL REVENUE ADJUSTMENTS	\$ (2,399)	\$ (3,183)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (268) \$ (128)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	209 218
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	Normalize Lake Suzy Purchased Water	44,743 -
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	670 320
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	132 63
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	Normalize Lake Suzy land rent/sale	- (27,056)
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	17,253 (64,621)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(383) (183)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(246) (117)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 62,110	\$ (91,503)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Suzy

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 4,821	\$ 2,304
4	Allocation of Corp Structures & Improvements	83	40
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(3,012)	(10,125)
7	PSC Depr Rate Correction, Amort CIAC	(11,686)	2,995
8	Reduction for NU&U	307	-
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (9,488)</u>	<u>\$ (4,786)</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	\$ -
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (108) \$ (143)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	1,084 490
21	Property tax adjustment		-
22	Property tax adjustment	NU&U portion of Property Taxes	(2,424) -
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (1,448)</u>	<u>\$ 347</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (24,511)	\$ 28,927
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (24,511)</u>	<u>\$ 28,927</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 26,663</u>	<u>\$ (67,015)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Suzy

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 143	\$ 68
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 143	\$ 68
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 633
5	601/701		Market Based Increases	\$ 246
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (260)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (1,393)
7	601/701		Reduce President Salary	\$ (646)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 322
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (23)
13	610/710	Purchased Water / Sewer Treatment	Remove Lake Suzy Purchased Water rate increases	\$ (20,531)
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (242)
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering	Reduction per Staff Audit Finding No. 15	\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (9)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (905)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (21,948)
28	635/735	Contractual Services - Testing	Reduction per Staff Audit Finding No. 16	\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (787)
31	636/736			\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (1,595)
33	636/736			\$ -
34	636/736		Reduction per Staff Audit Finding No. 16	\$ -
35	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (150)
36	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (478)
37	636/736		Adjustment to Deferred Maintenance	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 953
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (185)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (16)
47	660/760		Remove Lobbying Expenses	\$ (586)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (1,530)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (212)
55	675/775		Remove Test Year Fines and Penalties	\$ (400)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (49,742)	\$ (18,594)

Aqua Utilities Florida, Inc.
Expense Adjustments
Lake Suzy

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	601	287
4	Reduce Plant in Service per Staff Audit Finding No. 1	(10,229)	
5			
6			
7			(36,147)
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(258)	
			(123)
9	TOTAL	<u>\$ (9,887)</u>	<u>\$ (35,983)</u>
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	<u>\$ -</u>	<u>\$ -</u>
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 68	\$ 74
19	Property taxes associated with 2007 plant additions, allocations, adjustments	1,362	(2,080)
20	Property taxes associated with Pro Forma plant	(6,900)	56
21	Property Tax adjustment for Non-Used & Useful plant	646	-
22	TOTAL	<u>\$ (4,822)</u>	<u>\$ (1,949)</u>
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 29,815	\$ 30,443
26	TOTAL	<u>\$ 29,815</u>	<u>\$ 30,443</u>
27			
28	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (34,636)</u>	<u>\$ (26,083)</u>
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	<u>\$ 31,263</u>	<u>\$ (219,621)</u>
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	<u>\$ 93</u>	<u>\$ (657)</u>
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	<u>\$ 1,407</u>	<u>\$ (9,883)</u>
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 328,223	\$ 370,970
44	Plus Required Revenue Adjustment	31,263	(219,621)
45	Rate Year Revenue at Proposed Rates	<u>\$ 359,485</u>	<u>\$ 151,348</u>
46			
47	Less Operating Expenses Before Income Taxes	\$ (368,364)	\$ (165,282)
48	Less Interest Expense	2,730	4,554
49	Taxable Income	<u>\$ (6,148)</u>	<u>\$ (9,380)</u>
50	Income Tax at Composite Rate of 38.575%	<u>\$ (2,372)</u>	<u>\$ (3,618)</u>
51	Less Income Tax at Present Rates	13,853	(77,035)
52			
53	Income Tax Adjustment for Requested Revenue Increase	<u>\$ 11,481</u>	<u>\$ (80,653)</u>
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Morningview

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (25)	
4		Billed less Booked Revenue		\$ (256)
5		TOTAL REVENUE ADJUSTMENTS	\$ (25)	\$ (256)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (1,981)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	\$ 63
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	45
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	9
21	634/734	Contractual Services - Mgmt. Fees		8
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	346
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(26)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(17)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (1,560)	\$ (3,624)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Morningview

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 324	\$ 307
4	Allocation of Corp Structures & Improvements	6	5
5		-	-
6	PSC Depr Rate Correction, Depr Expn	77	1,250
7	PSC Depr Rate Correction, Amort CIAC	309	578
8	Reduction for NU&U	(1,850)	(5,820)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (1,135)	\$ (3,680)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 263	\$ 202
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 263	\$ 202
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (1)	\$ (11)
20	Payroll tax adjustment On Salary & Wage adjustments explained above	(73)	74
21	Property tax adjustment Distributing from Water to Water & Sewer	(1,338)	1,338
22	Property tax adjustment NU&U portion of Property Taxes	(777)	(228)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (2,190)	\$ 1,173
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 1,389	\$ 1,963
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 1,389	\$ 1,963
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (3,233)	\$ (3,966)

Aqua Utilities Florida, Inc.
Expense Adjustments
Morningview

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 10	\$ 9
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 10	\$ 9
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 190 \$ 247
5	601/701		Market Based Increases	\$ 107 \$ 213
4	601/701		Lake County Facility Operator II	\$ 2,443 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (15) \$ (14)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (94) \$ (89)
8	601/701		Reduce President Salary	\$ (43) \$ (41)
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 193 \$ 251
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ (1)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power	Reduction per Staff Audit Finding No. 16	\$ (73) \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals	Reduction per Staff Audit Finding No. 16	\$ (50) \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1) \$ (1)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (61) \$ (58)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (1,476) \$ (1,398)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (53) \$ (50)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (10) \$ (10)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (32) \$ (31)
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 64 \$ 61
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (12) \$ (12)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (1) \$ (1)
47	660/760		Remove Lobbying Expenses	\$ (39) \$ (37)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ 11 \$ 10
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (14) \$ (14)
55	675/775		Remove Test Year Fines and Penalties	\$ (2,280) \$ (41)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (1,248)	\$ (1,016)

Aqua Utilities Florida, Inc.
Expense Adjustments
Morningview

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 141	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	40	38
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(17)	(16)
9	TOTAL	\$ 164	\$ 22
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(182)	(375)
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ (182)	\$ (375)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 23	\$ 35
19	Property taxes associated with 2007 plant additions, allocations, adjustments	364	(96)
20	Property taxes associated with Pro Forma plant	135	8
21	Property Tax adjustment for Non-Used & Useful plant	(268)	15
22	TOTAL	\$ 255	\$ (38)
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 316	\$ 566
26	TOTAL	\$ 316	\$ 566
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (695)	\$ (841)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 7,644	\$ 7,843
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 23	\$ 23
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$ 344	\$ 353
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 17,454	\$ 21,570
44	Plus Required Revenue Adjustment	7,644	7,843
45	Rate Year Revenue at Proposed Rates	\$ 25,098	\$ 29,413
46			
47	Less Operating Expenses Before Income Taxes	\$ (21,597)	\$ (27,889)
48	Less Interest Expense	(1,198)	(534)
49	Taxable Income	\$ 2,302	\$ 990
50	Income Tax at Composite Rate of	38.575% \$ 888	\$ 382
51	Less Income Tax at Present Rates	1,919	2,498
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 2,807	\$ 2,880
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Ocala Oaks

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (4,919)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ (4,919)</u>	<u>NA</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (863)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	1,373
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	2,156
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	426
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	81,698
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(1,231)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(791)
40				
41				
42		TOTAL O&M ADJUSTMENTS	<u>\$ 82,768</u>	<u>NA</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Ocala Oaks

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 15,512	NA
4	Allocation of Corp Structures & Improvements	266	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(3,598)	NA
7	PSC Depr Rate Correction, Amort CIAC	(12,335)	NA
8	Reduction for NU&U	(6,094)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (6,248)</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (221)	NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	3,652
21	Property tax adjustment	-	NA
22	Property tax adjustment	NU&U portion of Property Taxes	(1,393)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ 2,038</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (44,966)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (44,966)</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 33,591</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Ocala Oaks

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 461	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 461	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 4,161	\$ -
5	601/701	Market Based Increases	\$ 2,880	\$ -
4	601/701		\$ -	\$ -
5	601/701	Reduction in Meter Readers	\$ (8,017)	\$ -
6	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (4,481)	\$ -
7	601/701	Reduce President Salary	\$ (2,079)	\$ -
8	601/701		\$ -	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 3,675	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (74)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators \$ (1,336)	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (30)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (2,911)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (70,622)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (2,533)	\$ -
31	636/736		\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading	\$ (182)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (482)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (1,539)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 3,067	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (594)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (50)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (1,887)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (6,511)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (682)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (866)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (91,094)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Ocala Oaks

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	1,933	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(831)	NA
9	TOTAL	\$ 1,102	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 547	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	5,331	NA
20	Property taxes associated with Pro Forma plant	379	-
21	Property Tax adjustment for Non-Used & Useful plant	(626)	NA
22	TOTAL	\$ 5,632	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 33,692	NA
26	TOTAL	\$ 33,692	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (50,668)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 94,238	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 282	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 4,241	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 512,335	NA
44	Plus Required Revenue Adjustment	94,238	NA
45	Rate Year Revenue at Proposed Rates	\$ 606,572	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (518,189)	NA
48	Less Interest Expense	(30,571)	NA
49	Taxable Income	\$ 57,812	NA
50	Income Tax at Composite Rate of 38.575%	\$ 22,301	NA
51	Less Income Tax at Present Rates	12,306	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 34,608	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Orange Hill/Sugar Creek

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (422)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (422)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 330
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	168
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	288
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	57
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(39,103)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(164)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(106)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (38,530)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Orange Hill/Sugar Creek

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 2,073	NA
4	Allocation of Corp Structures & Improvements	36	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	153	NA
7	PSC Depr Rate Correction, Amort CIAC	1,656	NA
8	Reduction for NU&U	(3,081)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 837	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (19) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	547 NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(1,046) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (518)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 23,653	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 23,653	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (14,558)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Orange Hill/Sugar Creek

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 62	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 62	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 509
5	601/701	Market Based Increases		\$ 405
4	601/701			\$ -
5	601/701	Reduction in Meter Readers		\$ (855)
6	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (599)
7	601/701	Reduce President Salary		\$ (278)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 493
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (10)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (141)
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (70)
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers		\$ (389)
26	634/734			\$ -
27	634/734	Remove Excess Costs Charged from Affiliates		\$ (9,440)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers		\$ (338)
31	636/736			\$ -
32	636/736	Eliminate O/S Contractor meter reading		\$ (2,388)
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (64)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No. 12		\$ (206)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 410
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (79)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760	Remove Advertising Expenses		\$ (7)
47	660/760	Remove Lobbying Expenses		\$ (252)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770	Adjustment to Bad Debt		\$ (1,058)
53	675/775	Miscellaneous Expense		\$ -
54	675/775	Normalize Relocation Expenses		\$ (91)
55	675/775	Remove Test Year Fines and Penalties		\$ (92)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (14,543)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Orange Hill/Sugar Creek

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 390	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	258	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(111)	NA
9	TOTAL	\$ 538	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(899)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (899)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 71	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(74)	NA
20	Property taxes associated with Pro Forma plant	379	
21	Property Tax adjustment for Non-Used & Useful plant	(125)	NA
22	TOTAL	\$ 251	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 5,552	NA
26	TOTAL	\$ 5,552	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (9,100)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 15,713	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 47	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 707	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 51,680	NA
44	Plus Required Revenue Adjustment	15,713	NA
45	Rate Year Revenue at Proposed Rates	\$ 67,393	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (59,294)	NA
48	Less Interest Expense	(2,817)	NA
49	Taxable Income	\$ 5,282	NA
50	Income Tax at Composite Rate of 38.575%	\$ 2,037	NA
51	Less Income Tax at Present Rates	3,733	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 5,770	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Oakwood

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (532)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (532)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	129
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	Normalize Oakwood Purchased Water	3,420
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	274
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	54
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	1,549
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(157)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(101)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(4,928)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (70)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Oakwood

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,971	NA
4	Allocation of Corp Structures & Improvements	34	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	351	NA
7	PSC Depr Rate Correction, Amort CIAC	(12)	NA
8	Reduction for NU&U	(170)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 2,174	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 1,156	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 1,156	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (23)	NA
20	Payroll tax adjustment	470	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(42)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 405	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (1,965)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (1,965)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 1,699	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Oakwood

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 59	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 59	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 391
5	601/701		Market Based Increases	\$ 319
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (92)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (570)
7	601/701		Reduce President Salary	\$ (264)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 348
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (9)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies	Normalize Test Year Maintenance Expense	\$ (197)
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (370)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (8,973)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (322)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (61)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (196)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 390
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (76)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (6)
47	660/760		Remove Lobbying Expenses	\$ (240)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (1,423)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (87)
55	675/775		Remove Test Year Fines and Penalties	\$ (3)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (11,444)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Oakwood

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ -	NA
3		6 Month Net Depr (Addns less Retirements)	246	NA
4		Allocation of new corp. PCs and Network & Telephony enhancements	-	NA
5				NA
6				NA
7				NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(106)	NA
9		TOTAL	\$ 140	NA
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15		TOTAL	\$ -	NA
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 55	NA
19		Property taxes associated with 2007 plant additions, allocations, adjustments	570	NA
20		Property taxes associated with Pro Forma plant	48	NA
21		Property Tax adjustment for Non-Used & Useful plant	(71)	NA
22		TOTAL	\$ 603	NA
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 4,287	NA
26		TOTAL	\$ 4,287	NA
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (6,415)	NA
29				
30				
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 71,512	NA
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 214	NA
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 3,218	NA
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 54,323	NA
44		Plus Required Revenue Adjustment	71,512	NA
45		Rate Year Revenue at Proposed Rates	\$ 125,835	NA
46				
47		Less Operating Expenses Before Income Taxes	\$ (124,448)	NA
48		Less Interest Expense	(536)	NA
49		Taxable Income	\$ 851	NA
50		Income Tax at Composite Rate of	38.575% \$ 328	NA
51		Less Income Tax at Present Rates	25,934	NA
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 26,262	NA
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Picciola Island

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (618)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (618)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 532
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	92
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	178
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	35
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	1,233
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(102)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(65)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(20)
41				
42		TOTAL O&M ADJUSTMENTS	\$ 1,882	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Picciola Island

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,280	NA
4	Allocation of Corp Structures & Improvements	22	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	483	NA
7	PSC Depr Rate Correction, Amort CIAC	(481)	NA
8	Reduction for NU&U	(1,124)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 180	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 758	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 758	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (34)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	351	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(295)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 22	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (1,591)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (1,591)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 1,251	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Picciola Island

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 38	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 38	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 279	\$ -
5	601/701		Market Based Increases \$ 213	\$ -
4	601/701		Lake County Facility Operator II \$ 110	\$ -
5	601/701		\$ -	\$ -
6	601/701		Reduction in Meter Readers \$ (59)	\$ -
7	601/701		Remove Carl Smith Salary - Acquisition Related \$ (369)	\$ -
8	601/701		Reduce President Salary \$ (171)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 289	\$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (6)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing \$ (2)	\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators \$ (35)	\$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing \$ (0)	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers \$ (240)	\$ -
26	634/734		\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates \$ (5,827)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers \$ (209)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (40)	\$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12 \$ (127)	\$ -
35	636/736		Adjustment to Deferred Maintenance \$ (830)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 253	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (49)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760		Remove Advertising Expenses \$ (4)	\$ -
47	660/760		Remove Lobbying Expenses \$ (156)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770		Adjustment to Bad Debt \$ (157)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775		Normalize Relocation Expenses \$ (56)	\$ -
55	675/775		Remove Test Year Fines and Penalties \$ (97)	\$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (7,293)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Picciola Island

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 1,131	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	159	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(69)	NA
9	TOTAL	\$ 1,222	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	112	NA
15	TOTAL	\$ 112	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 38	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(48)	NA
20	Property taxes associated with Pro Forma plant	864	-
21	Property Tax adjustment for Non-Used & Useful plant	(243)	NA
22	TOTAL	\$ 611	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,543	NA
26	TOTAL	\$ 1,543	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,805)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (12,219)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (37)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (550)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 52,537	NA
44	Plus Required Revenue Adjustment	(12,219)	NA
45	Rate Year Revenue at Proposed Rates	\$ 40,318	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (34,382)	NA
48	Less Interest Expense	(2,050)	NA
49	Taxable Income	\$ 3,887	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,499	NA
51	Less Income Tax at Present Rates	(5,987)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (4,487)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Port

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (146)	
4		Billed less Booked Revenue		\$ (430)
5		TOTAL REVENUE ADJUSTMENTS	\$ (146)	\$ (430)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 25
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	\$ 90
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	128
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	25
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	5,380
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(73)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(47)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 5,528	\$ 4,244
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Port

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 922	\$ 913
4	Allocation of Corp Structures & Improvements	16	16
5		-	-
6	PSC Depr Rate Correction, Depr Expn	89	156
7	PSC Depr Rate Correction, Amort CIAC	(214)	(356)
8	Reduction for NU&U	(6)	(5,902)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 807	\$ (5,173)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 588	\$ 589
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 588	\$ 589
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (63)	\$ (119)
20	Payroll tax adjustment On Salary & Wage adjustments explained above	233	249
21	Property tax adjustment	-	-
22	Property tax adjustment NU&U portion of Property Taxes	(16)	(728)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 153	\$ (598)
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (3,772)	\$ (544)
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (3,772)	\$ (544)
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 3,304	\$ (1,482)

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Port

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 27	\$ 27	
2			\$ -	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	\$ 27	\$ 27	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 274	\$ 270
5	601/701		Market Based Increases	\$ 244	\$ 182
4	601/701			\$ -	\$ -
5	601/701		Reduction in Meter Readers	\$ (43)	\$ (42)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (267)	\$ (264)
7	601/701		Reduce President Salary	\$ (124)	\$ (122)
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 327	\$ 224
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)	\$ (4)
13	610/710	Purchased Water / Sewer Treatment		\$ -	\$ -
14	NA /711	Sludge Removal Expense		\$ -	\$ -
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power		\$ -	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)	\$ (2)
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (173)	\$ (171)
26	634/734			\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (4,195)	\$ (4,157)
28	635/735	Contractual Services - Testing		\$ -	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (151)	\$ (149)
31	636/736			\$ -	\$ -
32	636/736			\$ -	\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (29)	\$ (28)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (92)	\$ (91)
35	636/736			\$ -	\$ -
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 182	\$ 181
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (35)	\$ (35)
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760		Remove Advertising Expenses	\$ (3)	\$ (3)
47	660/760		Remove Lobbying Expenses	\$ (112)	\$ (111)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770		Adjustment to Bad Debt	\$ 2	\$ 26
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775		Normalize Relocation Expenses	\$ (41)	\$ (40)
55	675/775		Remove Test Year Fines and Penalties	\$ (55)	\$ (14)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57					
58					
59		TOTAL O&M ADJUSTMENTS	\$ (4,296)	\$ (4,351)	

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Port

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 378	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements	115	114
4			-	-
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(49)	(49)
9		TOTAL	\$ 443	\$ 65
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	-
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15		TOTAL	\$ -	\$ -
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 40	\$ 35
19		Property taxes associated with 2007 plant additions, allocations, adjustments	502	(221)
20		Property taxes associated with Pro Forma plant	377	22
21		Property Tax adjustment for Non-Used & Useful plant	(2)	73
22		TOTAL	\$ 918	\$ (91)
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 930	\$ 1,764
26		TOTAL	\$ 930	\$ 1,764
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (2,005)	\$ (2,613)
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 14,230	\$ 6,185
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 43	\$ 18
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @ 4.500%	\$ 640	\$ 278
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 36,164	\$ 58,504
44		Plus Required Revenue Adjustment	14,230	6,185
45		Rate Year Revenue at Proposed Rates	\$ 50,394	\$ 64,690
46				
47		Less Operating Expenses Before Income Taxes	\$ (41,219)	\$ (59,566)
48		Less Interest Expense	(3,109)	(1,750)
49		Taxable Income	\$ 6,067	\$ 3,373
50		Income Tax at Composite Rate of 38.575%	\$ 2,340	\$ 1,301
51		Less Income Tax at Present Rates	2,886	970
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 5,226	\$ 2,271
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Terrace

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (2,793)	
4		Billed less Booked Revenue		\$ (3,130)
5		TOTAL REVENUE ADJUSTMENTS	\$ (2,793)	\$ (3,130)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 4,505 \$ 582
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	406 409
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment	Normalize Palm Terrace Purchased Water	1,921 -
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	1,406 1,215
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	278 240
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	41,598 33,818
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(803) (694)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(516) (446)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 48,794	\$ 35,124
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Terrace

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 10,120	\$ 8,746
4	Allocation of Corp Structures & Improvements	174	150
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(233)	323
7	PSC Depr Rate Correction, Amort CIAC	558	28,318
8	Reduction for NU&U	(1,461)	-
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 9,158</u>	<u>\$ 37,536</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 6,717	\$ 5,720
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 6,717</u>	<u>\$ 5,720</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (126)	\$ (140)
20	Payroll tax adjustment	2,869	2,242
21	Property tax adjustment	(10,235)	10,235
22	Property tax adjustment	(337)	-
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (7,829)</u>	<u>\$ 12,337</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (25,359)	\$ (46,429)
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (25,359)</u>	<u>\$ (46,429)</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 31,481</u>	<u>\$ 44,289</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Terrace

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 301	\$ 260	
2		Record Street Lighting Revenue Above the Line	\$ 27,606	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	\$ 27,906	\$ 260	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 1,230	\$ 1,239
5	601/701	Market Based Increases		\$ 467	\$ 542
4	601/701			\$ -	\$ -
5	601/701	Reduction in Meter Readers		\$ (10,808)	\$ (1,274)
6	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (2,923)	\$ (2,527)
7	601/701	Reduce President Salary		\$ (1,356)	\$ (1,172)
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 597	\$ 725
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (48)	\$ (42)
13	610/710	Purchased Water / Sewer Treatment	Palm Terrace Purchased Water rate increases	\$ 2,838	\$ -
14	NA /711	Sludge Removal Expense	Pasco County Sludge Hauling price increase in 2008	\$ -	\$ 13,597
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power		\$ -	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (20)	\$ (17)
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers		\$ (1,899)	\$ (1,642)
26	634/734			\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates		\$ (46,071)	\$ (39,817)
28	635/735	Contractual Services - Testing		\$ -	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers		\$ (1,653)	\$ (1,428)
31	636/736			\$ -	\$ -
32	636/736	Eliminate O/S Contractor meter reading		\$ (4,194)	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (315)	\$ (272)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12		\$ (1,004)	\$ (868)
35	636/736	Adjustment to Deferred Maintenance		\$ -	\$ (831)
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 2,001	\$ 1,729
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (387)	\$ (335)
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760	Remove Advertising Expenses		\$ (33)	\$ (28)
47	660/760	Remove Lobbying Expenses		\$ (1,231)	\$ (1,064)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770	Adjustment to Bad Debt		\$ (7,773)	\$ (4,147)
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775	Normalize Relocation Expenses		\$ (445)	\$ (384)
55	675/775	Remove Test Year Fines and Penalties		\$ (487)	\$ (551)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (1)	\$ (1)
57					
58					
59		TOTAL O&M ADJUSTMENTS	\$ (73,515)	\$ (38,568)	

Aqua Utilities Florida, Inc.
Expense Adjustments
Palm Terrace

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 1,963	NA
3		6 Month Net Depr (Addns less Retirements)		
4		Allocation of new corp. PCs and Network & Telephony enhancements	1,261	1,090
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(542)	(469)
9		TOTAL	\$ 2,682	\$ 621
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	(76)	(19,016)
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15		TOTAL	\$ (76)	\$ (19,016)
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 135	\$ 141
19		Property taxes associated with 2007 plant additions, allocations, adjustments	617	3,445
20		Property taxes associated with Pro Forma plant	1,910	214
21		Property Tax adjustment for Non-Used & Useful plant	(323)	-
22		TOTAL	\$ 2,339	\$ 3,801
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 36,646	\$ 21,111
26		TOTAL	\$ 36,646	\$ 21,111
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (31,924)	\$ (32,051)
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 98,468	\$ (14,463)
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 294	\$ (43)
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @ 4.500%	\$ 4,431	\$ (651)
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 342,522	\$ 381,797
44		Plus Required Revenue Adjustment	98,468	(14,463)
45		Rate Year Revenue at Proposed Rates	\$ 440,990	\$ 367,334
46				
47		Less Operating Expenses Before Income Taxes	\$ (417,837)	\$ (292,755)
48		Less Interest Expense	(7,583)	(25,205)
49		Taxable Income	\$ 15,571	\$ 49,373
50		Income Tax at Composite Rate of 38.575%	\$ 6,006	\$ 19,046
51		Less Income Tax at Present Rates	30,155	(24,357)
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 36,161	\$ (5,311)
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Palms MHP

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (123)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (123)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	77
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	73
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	15
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(2,102)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(42)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(27)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(76)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (2,141)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Palms MHP

Line No	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 529	NA
4	Allocation of Corp Structures & Improvements	9	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	14	NA
7	PSC Depr Rate Correction, Amort CIAC	268	NA
8	Reduction for NU&U	(766)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 54	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 323	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 323	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (6)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	131	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(185)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (59)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 102	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 102	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (1,721)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Palms MHP

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 16	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 16	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 234
5	601/701	Market Based Increases		\$ 214
4	601/701	Lake County Facility Operator II		\$ 557
5	601/701			\$ -
6	601/701	Reduction in Meter Readers		\$ (25)
7	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (152)
8	601/701	Reduce President Salary		\$ (71)
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 274
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers		\$ (99)
26	634/734			\$ -
27	634/734	Remove Excess Costs Charged from Affiliates		\$ (2,408)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other	ACO allocation adjustment for dual Water/Sewer customers	\$ (86)
30	636/736			\$ -
31	636/736			\$ -
32	636/736			\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (16)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No. 12		\$ (52)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 104
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (20)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760	Remove Advertising Expenses		\$ (2)
47	660/760	Remove Lobbying Expenses		\$ (64)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770	Adjustment to Bad Debt		\$ (126)
53	675/775	Miscellaneous Expense		\$ -
54	675/775	Normalize Relocation Expenses		\$ (23)
55	675/775	Remove Test Year Fines and Penalties		\$ (15)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (1,781)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Palms MHP

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 311	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	66	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(28)	NA
9	TOTAL	\$ 349	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(177)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (177)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 35	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(54)	NA
20	Property taxes associated with Pro Forma plant	257	
21	Property Tax adjustment for Non-Used & Useful plant	(41)	NA
22	TOTAL	\$ 198	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 396	NA
26	TOTAL	\$ 396	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,016)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 20,614	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 62	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 928	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 11,201	NA
44	Plus Required Revenue Adjustment	20,614	NA
45	Rate Year Revenue at Proposed Rates	\$ 31,814	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (26,346)	NA
48	Less Interest Expense	(1,838)	NA
49	Taxable Income	\$ 3,630	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,400	NA
51	Less Income Tax at Present Rates	6,170	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 7,570	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Pomona Park

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (286)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (286)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	123
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	210
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	41
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(61,284)
38	675/775		Normalize 2007 Intra-company misallocation of a/c 426 to Operating Expenses	(120)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(77)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(6)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (60,931)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Pomona Park

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,510	NA
4	Allocation of Corp Structures & Improvements	26	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	160	NA
7	PSC Depr Rate Correction, Amort CIAC	1,150	NA
8	Reduction for NU&U	(3,520)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (674)	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 1,047	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 1,047	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (13)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	402	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(2,332)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (1,943)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 21,575	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 21,575	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (40,925)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Pomona Park

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 45	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 45</u>	<u>NA</u>
4				
4	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 371
5	601/701		Market Based Increases	\$ 273
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (70)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (436)
7	601/701		Reduce President Salary	\$ (202)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 224
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (283)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (6,876)
28	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$ (1,677)
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (246)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (47)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (150)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 298
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (58)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (5)
47	660/760		Remove Lobbying Expenses	\$ (184)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (3,011)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (66)
55	675/775		Remove Test Year Fines and Penalties	\$ (618)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (12,772)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Pomona Park

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 329	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	188	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(81)	NA
9	TOTAL	\$ 436	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(651)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	5	NA
15	TOTAL	\$ (646)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 50	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(4)	NA
20	Property taxes associated with Pro Forma plant	389	
21	Property Tax adjustment for Non-Used & Useful plant	(114)	NA
22	TOTAL	\$ 321	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 4,728	NA
26	TOTAL	\$ 4,728	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (7,933)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 16,125	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 48	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$ 726	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 59,925	NA
44	Plus Required Revenue Adjustment	16,125	NA
45	Rate Year Revenue at Proposed Rates	\$ 76,051	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (56,227)	NA
48	Less Interest Expense	(6,734)	NA
49	Taxable Income	\$ 13,090	NA
50	Income Tax at Composite Rate of	38.575% \$ 5,049	NA
51	Less Income Tax at Present Rates	873	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 5,922	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Piney Woods

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (660)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (660)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	144
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	212
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	42
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	3,410
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(121)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(78)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(29)
41				
42		TOTAL O&M ADJUSTMENTS	\$ 3,486	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Piney Woods

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,527	NA
4	Allocation of Corp Structures & Improvements	26	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	97	NA
7	PSC Depr Rate Correction, Amort CIAC	1,241	NA
8	Reduction for NU&U	(1,949)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 943</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 927	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 927</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (30) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	366 NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(401) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (65)</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (4,651)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (4,651)</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 641</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Piney Woods

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 45	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 45	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 436
5	601/701		Market Based Increases	\$ 372
4	601/701		Lake County Facility Operator II	\$ 352
5	601/701			\$ -
6	601/701		Reduction in Meter Readers	\$ (71)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (442)
8	601/701		Reduce President Salary	\$ (205)
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 517
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA/711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (287)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (6,953)	\$ -
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (250)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (48)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (152)
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 302
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (59)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (5)
47	660/760		Remove Lobbying Expenses	\$ (186)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (194)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (67)
55	675/775		Remove Test Year Fines and Penalties	\$ (132)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (7,081)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Piney Woods

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ -	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	190	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(82)	NA
9	TOTAL	\$ 108	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(796)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (796)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 63	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(96)	NA
20	Property taxes associated with Pro Forma plant	37	
21	Property Tax adjustment for Non-Used & Useful plant	7	NA
22	TOTAL	\$ 10	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 3,114	NA
26	TOTAL	\$ 3,114	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (4,645)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 2,886	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 9	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 130	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 77,900	NA
44	Plus Required Revenue Adjustment	2,886	NA
45	Rate Year Revenue at Proposed Rates	\$ 80,786	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (63,591)	NA
48	Less Interest Expense	(5,836)	NA
49	Taxable Income	\$ 11,359	NA
50	Income Tax at Composite Rate of 38.575%	\$ 4,382	NA
51	Less Income Tax at Present Rates	(3,322)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 1,060	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Quail Ridge

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (170)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (170)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	79
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	114
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	22
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(7,570)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(65)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(42)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (8,676)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Quail Ridge

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 819	NA
4	Allocation of Corp Structures & Improvements	14	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	43	NA
7	PSC Depr Rate Correction, Amort CIAC	6,456	NA
8	Reduction for NU&U	(1,254)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 6,077	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 97	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 97	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (8)	NA
20	Payroll tax adjustment	64	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(248)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (191)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 724	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 724	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (1,969)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Quail Ridge

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 24	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 24	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08 \$ 240	\$ -
5	601/701	Market Based Increases	\$ 97	\$ -
4	601/701	Lake County Facility Operator II	\$ 2,317	\$ -
5	601/701		\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (38)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (237)	\$ -
8	601/701	Reduce President Salary	\$ (110)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008 \$ 260	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing \$ (4)	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing \$ (1)	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10 \$ (2)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (154)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (3,729)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (134)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (25)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (81)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal \$ 162	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses \$ (31)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (3)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (100)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (343)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (36)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (73)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (2,028)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Quail Ridge

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 425	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	102	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(44)	NA
9	TOTAL	\$ 483	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(3,637)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (3,637)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 26	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(61)	NA
20	Property taxes associated with Pro Forma plant	354	
21	Property Tax adjustment for Non-Used & Useful plant	(42)	NA
22	TOTAL	\$ 276	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,685	NA
26	TOTAL	\$ 1,685	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,221)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (13,038)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (39)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (587)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 45,804	NA
44	Plus Required Revenue Adjustment	(13,038)	NA
45	Rate Year Revenue at Proposed Rates	\$ 32,767	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (29,323)	NA
48	Less Interest Expense	(1,207)	NA
49	Taxable Income	\$ 2,237	NA
50	Income Tax at Composite Rate of 38.575%	\$ 863	NA
51	Less Income Tax at Present Rates	(5,651)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (4,788)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Rosalie Oaks

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (121)	
4		Billed less Booked Revenue		\$ 235
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ (121)</u>	<u>\$ 235</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 69
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	\$ (46)
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	115
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	23
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	2,251
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(66)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(42)
40				
41		Excess I&I adjustment for Purchased Treatment, Power, and Chemicals		(316)
42		TOTAL O&M ADJUSTMENTS	<u>\$ 2,440</u>	<u>\$ (214)</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Rosalie Oaks

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 828	\$ 828
4	Allocation of Corp Structures & Improvements	14	14
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(78)	(902)
7	PSC Depr Rate Correction, Amort CIAC	(45)	(34)
8	Reduction for NU&U	(1,472)	(709)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (752)</u>	<u>\$ (802)</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	\$ -
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (5)	\$ 11
20	Payroll tax adjustment	209	203
21	Property tax adjustment	(4,210)	4,210
22	Property tax adjustment	(471)	(178)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (4,477)</u>	<u>\$ 4,245</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 735	\$ (3,809)
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 735</u>	<u>\$ (3,809)</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (2,054)</u>	<u>\$ (580)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Rosalie Oaks

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 25	\$ 25
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 25	\$ 25
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 368
5	601/701		Market Based Increases	\$ 298
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (40)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (239)
7	601/701		Reduce President Salary	\$ (111)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 287
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering	Adjustment to Deferred Maintenance	\$ (188)
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (156)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (3,768)
28	635/735	Contractual Services - Testing	Reduction per Staff Audit Finding No. 16	\$ (120)
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (135)
31	636/736			\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (300)
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (26)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (82)
35	636/736		Adjustment to Deferred Maintenance	\$ (577)
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 164
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (32)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (3)
47	660/760		Remove Lobbying Expenses	\$ (101)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ 158
53	675/775	Miscellaneous Expense		\$ -
54	675/775			\$ -
55	675/775		Normalize Relocation Expenses	\$ (43)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (5,231)	\$ (4,096)

Aqua Utilities Florida, Inc.
Expense Adjustments
Rosalie Oaks

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 231	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	103	103
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(44)	(44)
9	TOTAL	\$ 290	\$ 59
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 41	\$ 51
19	Property taxes associated with 2007 plant additions, allocations, adjustments	74	556
20	Property taxes associated with Pro Forma plant	167	20
21	Property Tax adjustment for Non-Used & Useful plant	(114)	(24)
22	TOTAL	\$ 168	\$ 603
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,797	\$ 1,393
26	TOTAL	\$ 1,797	\$ 1,393
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (2,977)	\$ (2,041)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (4,639)	\$ 19,212
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (14)	\$ 57
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (209)	\$ 865
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 13,925	\$ 27,169
44	Plus Required Revenue Adjustment	(4,639)	19,212
45	Rate Year Revenue at Proposed Rates	\$ 9,286	\$ 46,380
46			
47	Less Operating Expenses Before Income Taxes	\$ (6,601)	\$ (26,314)
48	Less Interest Expense	(903)	(6,730)
49	Taxable Income	\$ 1,782	\$ 13,337
50	Income Tax at Composite Rate of 38.575%	\$ 687	\$ 5,145
51	Less Income Tax at Present Rates	(2,391)	1,911
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (1,704)	\$ 7,055
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
River Grove

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (304)	NA
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (304)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (3)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	86
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	127
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	25
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(24,860)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(72)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(47)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (24,744)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
River Grove

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 913	NA
4	Allocation of Corp Structures & Improvements	16	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	107	NA
7	PSC Depr Rate Correction, Amort CIAC	(161)	NA
8	Reduction for NU&U	(25)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 851	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 578	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 578	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (23)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	230	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(14)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 193	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 8,068	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 8,068	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (15,054)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
River Grove

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 27	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 27	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 260 \$ -
5	601/701		Market Based Increases	\$ 228 \$ -
4	601/701			\$ - \$ -
5	601/701		Reduction in Meter Readers	\$ (42) \$ -
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (264) \$ -
7	601/701		Reduce President Salary	\$ (122) \$ -
8	601/701			\$ - \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 260 \$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4) \$ -
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ -
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (171) \$ -
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (4,157) \$ -
28	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$ (434) \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (149) \$ -
31	636/736			\$ - \$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (11) \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (28) \$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (91) \$ -
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 181 \$ -
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (35) \$ -
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (3) \$ -
47	660/760		Remove Lobbying Expenses	\$ (111) \$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (404) \$ -
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (40) \$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (590) \$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (5,730)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
River Grove

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 436	NA
3		6 Month Net Depr (Addns less Retirements)	114	NA
4		Allocation of new corp. PCs and Network & Telephony enhancements	-	NA
5				NA
6				NA
7				NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(49)	NA
9		TOTAL	\$ 501	NA
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15		TOTAL	\$ -	NA
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 38	NA
19		Property taxes associated with 2007 plant additions, allocations, adjustments	(35)	NA
20		Property taxes associated with Pro Forma plant	380	-
21		Property Tax adjustment for Non-Used & Useful plant	(3)	NA
22		TOTAL	\$ 379	NA
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 1,667	NA
26		TOTAL	\$ 1,667	NA
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (3,183)	NA
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 3,391	NA
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 10	NA
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 153	NA
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 36,454	NA
44		Plus Required Revenue Adjustment	3,391	NA
45		Rate Year Revenue at Proposed Rates	\$ 39,845	NA
46				
47		Less Operating Expenses Before Income Taxes	\$ (32,632)	NA
48		Less Interest Expense	(2,459)	NA
49		Taxable Income	\$ 4,755	NA
50		Income Tax at Composite Rate of	38.575% \$ 1,834	NA
51		Less Income Tax at Present Rates	(589)	NA
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 1,245	NA
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Ravenswood

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (178)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (178)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	54
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	54
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	11
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	2,251
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(31)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(20)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 785	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Ravenswood

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 384	NA
4	Allocation of Corp Structures & Improvements	7	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(84)	NA
7	PSC Depr Rate Correction, Amort CIAC	(516)	NA
8	Reduction for NU&U	(270)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (480)	NA
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (8) NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	(25) NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(87) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (121)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (378)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (378)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (194)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Ravenswood

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 11	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 11	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	\$ 165	\$ -
5	601/701	4.0% Wage increase effective 4/1/08	\$ 79	\$ -
4	601/701	Market Based Increases	\$ 1,873	\$ -
5	601/701	Lake County Facility Operator II	\$ -	\$ -
6	601/701	Reduction in Meter Readers	\$ (18)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (111)	\$ -
8	601/701	Reduce President Salary	\$ (52)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits	\$ 146	\$ -
	604/704	Increase in Benefit costs/head in 2008	\$ -	\$ -
		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ (355)	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal	\$ (1)	\$ -
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (72)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (1,748)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other	\$ -	\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (63)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (38)	\$ -
35	636/736	Adjustment to Deferred Maintenance	\$ (396)	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses	\$ 76	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability	\$ (15)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (1)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (47)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (78)	\$ -
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (17)	\$ -
55	675/775	Remove Test Year Fines and Penalties	\$ (8)	\$ -
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (694)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Ravenswood

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 57	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	48	NA
4		-	NA
5		-	NA
6		-	NA
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(21)	NA
9	TOTAL	\$ 84	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ -	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 19	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(26)	NA
20	Property taxes associated with Pro Forma plant	165	-
21	Property Tax adjustment for Non-Used & Useful plant	(29)	NA
22	TOTAL	\$ 130	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 97	NA
26	TOTAL	\$ 97	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (384)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (6,948)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (21)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (313)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 14,971	NA
44	Plus Required Revenue Adjustment	(6,948)	NA
45	Rate Year Revenue at Proposed Rates	\$ 8,023	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (5,463)	NA
48	Less Interest Expense	(859)	NA
49	Taxable Income	\$ 1,700	NA
50	Income Tax at Composite Rate of 38.575%	\$ 656	NA
51	Less Income Tax at Present Rates	(3,207)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (2,551)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Sebring Lakes

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ 183	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ 183</u>	<u>NA</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (37)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	148
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	91
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	18
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense		-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(52)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(34)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(487)
41				
42		TOTAL O&M ADJUSTMENTS	<u>\$ (352)</u>	<u>NA</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Sebring Lakes

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 657	NA
4	Allocation of Corp Structures & Improvements	11	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(1,336)	NA
7	PSC Depr Rate Correction, Amort CIAC	4,463	NA
8	Reduction for NU&U	(2,827)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 968	NA
10			
11			
12	D AMORTIZATION		
13		\$ -	NA
14		-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ 8 NA
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	132 NA
21	Property tax adjustment		- NA
22	Property tax adjustment	NU&U portion of Property Taxes	(1,601) NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (1,461)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 648	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 648	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (197)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Sebring Lakes

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 20	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 20	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 448
5	601/701	Market Based Increases		\$ 232
4	601/701			\$ -
5	601/701			\$ -
6	601/701	Sebring Lakes Facility Operator II		\$ 37,856
7	601/701	Reduction in Meter Readers		\$ (498)
8	601/701	Remove Carl Smith Salary - Acquisition Related		\$ (190)
9	601/701	Reduce President Salary		\$ (88)
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 464
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA/711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (186)
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers		\$ (123)
26	634/734			\$ -
27	634/734	Remove Excess Costs Charged from Affiliates		\$ (2,991)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736	ACO allocation adjustment for dual Water/Sewer customers		\$ (107)
31	636/736			\$ -
32	636/736	Eliminate O/S Contractor meter reading		\$ (1,492)
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (20)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12		\$ (65)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 130
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (25)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760	Remove Advertising Expenses		\$ (2)
47	660/760	Remove Lobbying Expenses		\$ (80)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770	Adjustment to Bad Debt		\$ 90
53	675/775	Miscellaneous Expense		\$ -
54	675/775	Normalize Relocation Expenses		\$ (29)
55	675/775	Remove Test Year Fines and Penalties		\$ (1)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10		\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ 33,317	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Sebring Lakes

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ -	NA
3		6 Month Net Depr (Addns less Retirements)		
3		Allocation of new corp. PCs and Network & Telephony enhancements	82	NA
4		Reduce Plant in Service per Staff Audit Finding No. 4	(640)	
5				NA
6			-	
7				NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(35)	
				NA
9		TOTAL	\$ (593)	NA
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC	1,400	NA
15		TOTAL	\$ 1,400	NA
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment	\$ 52	NA
19		On Salary & Wage adjustments explained above		
19		Property taxes associated with 2007 plant additions, allocations, adjustments	326	NA
20		Property taxes associated with Pro Forma plant	(250)	
21		Property Tax adjustment for Non-Used & Useful plant	(26)	NA
22		TOTAL	\$ 103	NA
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ (12,989)	NA
26		TOTAL	\$ (12,989)	NA
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ 21,238	NA
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 93,690	NA
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 280	NA
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 4,216	NA
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 16,380	NA
44		Plus Required Revenue Adjustment	93,690	NA
45		Rate Year Revenue at Proposed Rates	\$ 110,070	NA
46				
47		Less Operating Expenses Before Income Taxes	\$ (113,829)	NA
48		Less Interest Expense	1,231	NA
49		Taxable Income	\$ (2,528)	NA
50		Income Tax at Composite Rate of	38.575% \$ (975)	NA
51		Less Income Tax at Present Rates	35,382	NA
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 34,407	NA
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
St. John's Highlands

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ 269	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ 269	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (28)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	35
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	117
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	23
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(800)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(67)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(43)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (763)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
St. John's Highlands

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 845	NA
4	Allocation of Corp Structures & Improvements	15	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	-	NA
7	PSC Depr Rate Correction, Amort CIAC	1,010	NA
8	Reduction for NU&U	(343)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 1,527	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 467	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 467	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ 12	NA
20	Payroll tax adjustment	204	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(91)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 124	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (542)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (542)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 813	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
St. John's Highlands

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 25	\$ -	
2			\$ -	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	\$ 25	NA	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 107	\$ -
5	601/701		Market Based Increases	\$ 63	\$ -
4	601/701			\$ -	\$ -
5	601/701		Reduction in Meter Readers	\$ (39)	\$ -
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (244)	\$ -
7	601/701		Reduce President Salary	\$ (113)	\$ -
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 59	\$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4)	\$ -
13	610/710	Purchased Water / Sewer Treatment		\$ -	\$ -
14	NA /711	Sludge Removal Expense		\$ -	\$ -
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power		\$ -	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2)	\$ -
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (159)	\$ -
26	634/734			\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (3,846)	\$ -
28	635/735	Contractual Services - Testing		\$ -	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (138)	\$ -
31	636/736			\$ -	\$ -
32	636/736			\$ -	\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (26)	\$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (84)	\$ -
35	636/736			\$ -	\$ -
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 167	\$ -
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (32)	\$ -
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760		Remove Advertising Expenses	\$ (3)	\$ -
47	660/760		Remove Lobbying Expenses	\$ (103)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770		Adjustment to Bad Debt	\$ (140)	\$ -
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775		Normalize Relocation Expenses	\$ (37)	\$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (34)	\$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
57					
58					
59		TOTAL O&M ADJUSTMENTS	\$ (4,608)	NA	

Aqua Utilities Florida, Inc.
Expense Adjustments
St. John's Highlands

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 330	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	105	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(45)	NA
9	TOTAL	\$ 390	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(517)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	2	NA
15	TOTAL	\$ (515)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 13	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(16)	NA
20	Property taxes associated with Pro Forma plant	342	-
21	Property Tax adjustment for Non-Used & Useful plant	(61)	NA
22	TOTAL	\$ 279	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 1,541	NA
26	TOTAL	\$ 1,541	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (2,912)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (8,246)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (25)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ (371)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 25,050	NA
44	Plus Required Revenue Adjustment	(8,246)	NA
45	Rate Year Revenue at Proposed Rates	\$ 16,804	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (14,472)	NA
48	Less Interest Expense	(802)	NA
49	Taxable Income	\$ 1,530	NA
50	Income Tax at Composite Rate of 38.575%	\$ 590	NA
51	Less Income Tax at Present Rates	(3,618)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (3,028)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Skycrest

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (296)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (296)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 78
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	82
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	144
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	29
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	4,292
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(82)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(53)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 4,489	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Skycrest

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,041	NA
4	Allocation of Corp Structures & Improvements	18	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	37	NA
7	PSC Depr Rate Correction, Amort CIAC	1,035	NA
8	Reduction for NU&U	(2,415)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (284)	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 635	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 635	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (13)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	268	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(659)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (404)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (2,592)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (2,592)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 1,843	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Skycrest

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 31	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 31	NA
4				
4	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 248 \$ -
5	601/701		Market Based Increases	\$ 189 \$ -
4	601/701		Lake County Facility Operator II	\$ 46 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (48) \$ -
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (300) \$ -
8	601/701		Reduce President Salary	\$ (139) \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 258 \$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5) \$ -
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (10) \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (2) \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ -
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (195) \$ -
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (4,739) \$ -
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (170) \$ -
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (32) \$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (103) \$ -
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 206 \$ -
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (40) \$ -
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (3) \$ -
47	660/760		Remove Lobbying Expenses	\$ (126) \$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (879) \$ -
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (46) \$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (84) \$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (5,979)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Skycrest

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 464	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	130	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(56)	NA
9	TOTAL	\$ 538	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(611)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (611)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 34	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(75)	NA
20	Property taxes associated with Pro Forma plant	423	-
21	Property Tax adjustment for Non-Used & Useful plant	(120)	NA
22	TOTAL	\$ 262	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 2,006	NA
26	TOTAL	\$ 2,006	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (3,784)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (10,990)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (33)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$ (495)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 51,922	NA
44	Plus Required Revenue Adjustment	(10,990)	NA
45	Rate Year Revenue at Proposed Rates	\$ 40,932	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (33,343)	NA
48	Less Interest Expense	(2,608)	NA
49	Taxable Income	\$ 4,981	NA
50	Income Tax at Composite Rate of	38.575% \$ 1,921	NA
51	Less Income Tax at Present Rates	(5,957)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (4,036)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Est/Western Shores

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (2,856)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (2,856)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	711
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	1,910
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	377
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	78,606
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(1,091)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(701)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(95)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 76,604	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Est/Western Shores

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 13,746	NA
4	Allocation of Corp Structures & Improvements	236	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	(1,668)	NA
7	PSC Depr Rate Correction, Amort CIAC	844	NA
8	Reduction for NU&U	(5,536)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 7,621	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 9,909	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 9,909	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (186)	NA
20	Payroll tax adjustment	3,017	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(1,299)	NA
	NU&U portion of Property Taxes		
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 1,532	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (47,069)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (47,069)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 48,597	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Est/Western Shores

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 409	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 409	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 2,154
5	601/701		Market Based Increases	\$ 914
4	601/701		Lake County Facility Operator II	\$ 6,631
5	601/701			\$ -
6	601/701		Reduction in Meter Readers	\$ (639)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (3,971)
8	601/701		Reduce President Salary	\$ (1,842)
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 1,036
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (65)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (1,360)
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (79)
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (27)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (2,580)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (62,581)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (2,245)
31	636/736			\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (13,280)
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (427)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (1,364)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 2,718
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (526)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (45)
47	660/760		Remove Lobbying Expenses	\$ (1,672)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (1,585)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (604)
55	675/775		Remove Test Year Fines and Penalties	\$ (1,010)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (82,452)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Est/Western Shores

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 5,293	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	1,713	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(737)	NA
9	TOTAL	\$ 6,269	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(3,688)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (3,688)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 243	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	641	NA
20	Property taxes associated with Pro Forma plant	5,698	-
21	Property Tax adjustment for Non-Used & Useful plant	(469)	NA
22	TOTAL	\$ 6,113	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 25,281	NA
26	TOTAL	\$ 25,281	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (48,477)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ (36,918)	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ (110)	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$ (1,661)	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 532,838	NA
44	Plus Required Revenue Adjustment	(36,918)	NA
45	Rate Year Revenue at Proposed Rates	\$ 495,919	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (383,128)	NA
48	Less Interest Expense	(37,988)	NA
49	Taxable Income	\$ 74,803	NA
50	Income Tax at Composite Rate of	38.575% \$ 28,855	NA
51	Less Income Tax at Present Rates	(42,413)	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ (13,558)	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Summit Chase

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (306)	
4		Billed less Booked Revenue		\$ (240)
5		TOTAL REVENUE ADJUSTMENTS	\$ (306)	\$ (240)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 949 \$ (103)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	144 160
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	261 258
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	51 51
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	11,000 (66,801)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(149) (148)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(96) (95)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(830)	
41		Excess I&I adjustment for Purchased Treatment, Power, and Chemicals		(2,110)
42		TOTAL O&M ADJUSTMENTS	\$ 11,332	\$ (68,788)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Summit Chase

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,877	\$ 1,860
4	Allocation of Corp Structures & Improvements	32	32
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(2,869)	4,250
7	PSC Depr Rate Correction, Amort CIAC	(79)	(37,635)
8	Reduction for NU&U	(938)	11,205
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (1,976)	\$ (20,288)
10			
11			
12	D AMORTIZATION		
13		\$ -	\$ -
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	\$ -
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (14)	\$ (11)
20	Payroll tax adjustment On Salary & Wage adjustments explained above	540	459
21	Property tax adjustment Distributing from Water to Water & Sewer	(880)	880
22	Property tax adjustment NU&U portion of Property Taxes	(322)	(74)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (675)	\$ 1,254
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (4,034)	\$ 33,311
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (4,034)	\$ 33,311
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 4,647	\$ (54,512)

Aqua Utilities Florida, Inc.
Expense Adjustments
Summit Chase

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 56	\$ 55
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 56	\$ 55
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 437 \$ 483
5	601/701		Market Based Increases	\$ 347 \$ 337
4	601/701		Lake County Facility Operator II	\$ 238 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (87) \$ (623)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (543) \$ -
8	601/701		Reduce President Salary	\$ (252) \$ (249)
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 391 \$ 482
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (9) \$ (9)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (284) \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering	Adjustment to Deferred Maintenance	\$ - \$ (188)
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (4) \$ (4)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (353) \$ (349)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (8,546) \$ (8,468)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (307) \$ (304)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (58) \$ (58)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (186) \$ (184)
35	636/736		Adjustment to Deferred Maintenance	\$ - \$ (158)
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 371 \$ 367
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (72) \$ (71)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (6) \$ (6)
47	660/760		Remove Lobbying Expenses	\$ (228) \$ (226)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (668) \$ (197)
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (83) \$ (82)
55	675/775		Remove Test Year Fines and Penalties	\$ (63) \$ (55)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (9,963)	\$ (9,561)

Aqua Utilities Florida, Inc.
Expense Adjustments
Summit Chase

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 916	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	234	232
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(101)	(100)
9	TOTAL	\$ 1,050	\$ 132
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 61	\$ 64
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(3,532)	1,082
20	Property taxes associated with Pro Forma plant	780	46
21	Property Tax adjustment for Non-Used & Useful plant	404	(94)
22	TOTAL	\$ (2,287)	\$ 1,097
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 3,861	\$ 3,367
26	TOTAL	\$ 3,861	\$ 3,367
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (7,339)	\$ (4,965)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 18,759	\$ 4,296
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 56	\$ 13
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @	4.500% \$ 844	\$ 193
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 43,051	\$ 41,827
44	Plus Required Revenue Adjustment	18,759	4,296
45	Rate Year Revenue at Proposed Rates	\$ 61,810	\$ 46,123
46			
47	Less Operating Expenses Before Income Taxes	\$ (54,144)	\$ (43,514)
48	Less Interest Expense	(2,583)	(888)
49	Taxable Income	\$ 5,083	\$ 1,721
50	Income Tax at Composite Rate of	38.575% \$ 1,961	\$ 664
51	Less Income Tax at Present Rates	4,928	914
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 6,889	\$ 1,578
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Stone Mountain

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ 2	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ 2	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (143)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	43
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	12
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	2
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(2,599)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(7)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(4)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (2,696)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Stone Mountain

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 85	NA
4	Allocation of Corp Structures & Improvements	1	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	4	NA
7	PSC Depr Rate Correction, Amort CIAC	346	NA
8	Reduction for NU&U	(115)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 322	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 42	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 42	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ 0	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	13	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(33)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (20)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 868	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ 868	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ (1,484)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Stone Mountain

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 3	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 3</u>	<u>NA</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees		
5	601/701	4.0% Wage increase effective 4/1/08	\$ 131	\$ -
4	601/701	Market Based Increases	\$ 152	\$ -
5	601/701	Lake County Facility Operator II	\$ 208	\$ -
6	601/701	Reduction in Meter Readers	\$ (4)	\$ -
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (24)	\$ -
8	601/701	Reduce President Salary	\$ (11)	\$ -
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits		
	604/704	Increase in Benefit costs/head in 2008	\$ 168	\$ -
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal		
	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ -
22	633/733		\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (16)	\$ -
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (388)	\$ -
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other		
	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (14)	\$ -
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)	\$ -
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (8)	\$ -
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses		
	650/750	Adjust fuel to \$3.36/gal	\$ 17	\$ -
41	656/756	Insurance - Vehicle	\$ -	\$ -
42	657/757	Insurance - General Liability		
	657/757	Remove Executive Risk Insurance Expenses	\$ (3)	\$ -
43	658/758	Insurance - Workman's Comp.	\$ -	\$ -
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense		
	660/760	Remove Advertising Expenses	\$ (0)	\$ -
47	660/760	Remove Lobbying Expenses	\$ (10)	\$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense		
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ 3	\$ -
53	675/775	Miscellaneous Expense		
	675/775	Normalize Relocation Expenses	\$ (4)	\$ -
55	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12)	\$ -
56	675/775		\$ -	\$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ 181</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Stone Mountain

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 41	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	11	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(5)	NA
9	TOTAL	\$ 47	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(196)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	1	NA
15	TOTAL	\$ (195)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 22	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	(8)	NA
20	Property taxes associated with Pro Forma plant	35	
21	Property Tax adjustment for Non-Used & Useful plant	(5)	NA
22	TOTAL	\$ 44	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ (50)	NA
26	TOTAL	\$ (50)	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ 28	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 6,276	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 19	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 282	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 5,000	NA
44	Plus Required Revenue Adjustment	6,276	NA
45	Rate Year Revenue at Proposed Rates	\$ 11,276	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (10,834)	NA
48	Less Interest Expense	(158)	NA
49	Taxable Income	\$ 284	NA
50	Income Tax at Composite Rate of 38.575%	\$ 110	NA
51	Less Income Tax at Present Rates	2,195	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 2,305	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Sunny Hills

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (2,391)	
4		Billed less Booked Revenue		\$ (2,269)
5		TOTAL REVENUE ADJUSTMENTS	\$ (2,391)	\$ (2,269)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Redistribute Admin employee terminations & New Hires	\$ (275) \$ (85)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	563 286
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA/711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	688 213
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	136 42
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	26,531 (14,456)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(393) (122)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(252) (78)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(81)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 26,917	\$ (14,200)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Sunny Hills

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 4,949	\$ 1,536
4	Allocation of Corp Structures & Improvements	85	26
5		-	-
6	PSC Depr Rate Correction, Depr Expn	6,917	7,953
7	PSC Depr Rate Correction, Amort CIAC	(951)	50
8	Reduction for NU&U	(33,717)	(9,310)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (22,717)</u>	<u>\$ 255</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 3,457	\$ 991
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 3,457</u>	<u>\$ 991</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (551)	\$ (102)
20	Payroll tax adjustment	966	386
21	Property tax adjustment	(4,515)	4,515
22	Property tax adjustment	(23,633)	(1,862)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (27,733)</u>	<u>\$ 2,938</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 6,763	\$ 1,718
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 6,763</u>	<u>\$ 1,718</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (13,314)</u>	<u>\$ (8,299)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Sunny Hills

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 147	\$ 46	
2			\$ -	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	\$ 147	\$ 46	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 1,707	\$ 868
5	601/701		Market Based Increases	\$ 751	\$ 390
4	601/701			\$ -	\$ -
5	601/701		Reduction in Meter Readers	\$ (230)	\$ (71)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (1,429)	\$ (443)
7	601/701		Reduce President Salary	\$ (663)	\$ (206)
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 1,587	\$ 1,243
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (24)	\$ (7)
13	610/710	Purchased Water / Sewer Treatment		\$ -	\$ -
14	NA /711	Sludge Removal Expense	Normalize Test Year Sludge Expenses	\$ -	\$ (350)
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (1,251)	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (10)	\$ (3)
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (929)	\$ (288)
26	634/734			\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (22,531)	\$ (6,992)
28	635/735	Contractual Services - Testing		\$ -	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (808)	\$ (251)
31	636/736			\$ -	\$ -
32	636/736			\$ -	\$ -
33	636/736		Normalize Test Year Contratual Services Other	\$ -	\$ (1,575)
34	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (154)	\$ (48)
35	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (491)	\$ (152)
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 978	\$ 303
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (189)	\$ (59)
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760		Remove Advertising Expenses	\$ (16)	\$ (5)
47	660/760		Remove Lobbying Expenses	\$ (602)	\$ (187)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770		Adjustment to Bad Debt	\$ (363)	\$ (573)
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775		Normalize Relocation Expenses	\$ (217)	\$ (67)
55	675/775		Remove Test Year Fines and Penalties	\$ (436)	\$ (2)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57					
58					
59		TOTAL O&M ADJUSTMENTS	\$ (25,320)	\$ (8,476)	

Aqua Utilities Florida, Inc.
Expense Adjustments
Sunny Hills

PRO FORMA ADJUSTMENTS, continued					
Line No.	Description		Water	Sewer	
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)				
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$	491	NA	
3	Allocation of new corp. PCs and Network & Telephony enhancements		617	191	
4	Replace water pump and motor - Well #5		125		
5					
6					
7					
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19		(265)	(82)	
9	TOTAL	\$	967	109	
10					
11					
12	D AMORTIZATION				
13	Correct Test Year Amortization of CIAC		-	-	
14	Remove U&U Adjustment to Test Year Amortization of CIAC		9,284	-	
15	TOTAL	\$	9,284	-	
16					
17	E TAXES OTHER THAN INCOME TAX				
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$	191	\$ 97	
19	Property taxes associated with 2007 plant additions, allocations, adjustments		14,615	(187)	
20	Property taxes associated with Pro Forma plant		1,179	38	
21	Property Tax adjustment for Non-Used & Useful plant		(9,566)	62	
22	TOTAL	\$	6,419	\$ 9	
23					
24	F INCOME TAXES				
25	Income tax impact of the adjustments to per book income	\$	3,123	\$ 3,350	
26	TOTAL	\$	3,123	\$ 3,350	
27					
28	TOTAL EXPENSE ADJUSTMENTS	\$	(5,527)	\$ (5,007)	
29					
30					
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
32					
33	A NET OPERATING REVENUE				
34	Required Revenue Adjustment	\$	(37,558)	\$ 15,808	
35					
36	B OPERATION & MAINTENANCE EXPENSE				
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$	(112)	\$ 47	
38					
39	E TAXES OTHER THAN INCOME TAX				
40	RAF on Revenue Adjustment @ 4.500%	\$	(1,690)	\$ 711	
41					
42	F INCOME TAX ADJUSTMENT				
43	Rate Year Revenue at Present Rates	\$	273,356	\$ 84,675	
44	Plus Required Revenue Adjustment		(37,558)	15,808	
45	Rate Year Revenue at Proposed Rates	\$	235,798	\$ 100,483	
46					
47	Less Operating Expenses Before Income Taxes	\$	(233,925)	\$ (91,694)	
48	Less Interest Expense		(841)	(3,012)	
49	Taxable Income	\$	1,032	\$ 5,776	
50	Income Tax at Composite Rate of 38.575%	\$	398	\$ 2,228	
51	Less Income Tax at Present Rates		(14,191)	3,577	
52					
53	Income Tax Adjustment for Requested Revenue Increase	\$	(13,793)	\$ 5,805	
54					
55					

Aqua Utilities Florida, Inc.
Expense Adjustments
South Seas

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	NA	
4		Billed less Booked Revenue	Golf Course irrigation was booked in Dec '07 for 426 days.	\$ (31,420)
5		TOTAL REVENUE ADJUSTMENTS	<u>NA</u>	<u>\$ (31,420)</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (3,156)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	416
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense	Normalize 2007 Sludge Hauling price decrease for South Seas	(15,400)
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	81
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	16
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense		-
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(46)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(30)
40				
41				
42		TOTAL O&M ADJUSTMENTS	<u>NA</u>	<u>\$ (18,119)</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
South Seas

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	NA	\$ 580
4	Allocation of Corp Structures & Improvements	NA	10
5	PSC Audit Adjustments	NA	-
6	PSC Depr Rate Correction, Depr Expn	NA	(154)
7	PSC Depr Rate Correction, Amort CIAC	NA	2,210
8	Reduction for NU&U	NA	(73,974)
9	TOTAL DEPRECIATION ADJUSTMENTS	NA	\$ (71,328)
10			
11			
12	D AMORTIZATION		
13	-	NA	\$ -
14		NA	-
15	TOTAL AMORTIZATION ADJUSTMENTS	NA	\$ -
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	NA \$ (1,414)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	NA (76)
21	Property tax adjustment	Distributing from Water to Water & Sewer	NA -
22	Property tax adjustment	NU&U portion of Property Taxes	NA (9,501)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	NA	\$ (10,991)
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	NA	\$ 17,341
28	TOTAL INCOME TAX ADJUSTMENTS	NA	\$ 17,341
29			
30	TOTAL EXPENSE ADJUSTMENTS	NA	\$ (83,098)

Aqua Utilities Florida, Inc.
Expense Adjustments
South Seas

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ -	\$ 17
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	NA	\$ 17
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 1,260
5	601/701		Market Based Increases	\$ 986
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (2,756)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (167)
7	601/701		Reduce President Salary	\$ (78)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 2,424
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (242)
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (109)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (2,642)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (95)
31	636/736			\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (672)
33	636/736		New Contract Services for South Seas Operator	\$ 102,276
34	636/736			\$ -
35	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (18)
36	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (58)
37	636/736		Adjustment to Deferred Maintenance	\$ (712)
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 115
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (22)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (2)
47	660/760		Remove Lobbying Expenses	\$ (71)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (763)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (25)
55	675/775		Remove Test Year Fines and Penalties	\$ (1,146)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	NA	\$ 97,481

Aqua Utilities Florida, Inc.
Expense Adjustments
South Seas

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	NA	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	NA	72
4		NA	
5			521
6		NA	
7			565
8		NA	(31)
9	TOTAL	<u>NA</u>	<u>\$ 1,127</u>
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	NA	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	NA	-
15	TOTAL	<u>NA</u>	<u>\$ -</u>
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	NA	\$ 172
19	Property taxes associated with 2007 plant additions, allocations, adjustments	NA	4,387
20	Property taxes associated with Pro Forma plant	-	847
21	Property Tax adjustment for Non-Used & Useful plant	NA	(2,177)
22	TOTAL	<u>NA</u>	<u>\$ 3,228</u>
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	NA	\$ (39,693)
26	TOTAL	<u>NA</u>	<u>\$ (39,693)</u>
27			
28	TOTAL EXPENSE ADJUSTMENTS	<u>NA</u>	<u>\$ 62,143</u>
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	<u>NA</u>	<u>\$ 184,497</u>
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	<u>NA</u>	<u>\$ 552</u>
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	<u>NA</u>	<u>\$ 8,302</u>
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	NA	\$ 421,491
44	Plus Required Revenue Adjustment	NA	184,497
45	Rate Year Revenue at Proposed Rates	<u>NA</u>	<u>\$ 605,989</u>
46			
47	Less Operating Expenses Before Income Taxes	NA	\$ (531,027)
48	Less Interest Expense	NA	(25,144)
49	Taxable Income	NA	\$ 49,817
50	Income Tax at Composite Rate of 38.575%	NA	\$ 19,217
51	Less Income Tax at Present Rates	NA	48,537
52		<u>NA</u>	<u>\$ 67,754</u>
53	Income Tax Adjustment for Requested Revenue Increase		
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Oaks

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (144)	
4		Billed less Booked Revenue		\$ (124)
5		TOTAL REVENUE ADJUSTMENTS	\$ (144)	\$ (124)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 499 \$ (122)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	76 66
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA/711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	52 51
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	10 10
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(1,019) (1,055)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(30) (29)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(19) (19)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ (430)	\$ (1,098)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Oaks

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 375	\$ 367	
4	Allocation of Corp Structures & Improvements	6	6	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	110	-	
7	PSC Depr Rate Correction, Amort CIAC	(2)	225	
8	Reduction for NU&U	(25)	(2,652)	
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 465	\$ (2,054)	
10				
11				
12	D AMORTIZATION			
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 159	\$ 149	
14	-	-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 159	\$ 149	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (6)	\$ (6)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	151	103
21	Property tax adjustment	Distributing from Water to Water & Sewer	(852)	852
22	Property tax adjustment	NU&U portion of Property Taxes	(24)	(418)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (731)	\$ 531	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ (762)	\$ 721	
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (762)	\$ 721	
29				
30	TOTAL EXPENSE ADJUSTMENTS	\$ (1,300)	\$ (1,751)	

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Oaks

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 11	\$ 11
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 11	\$ 11
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 230 \$ 201
5	601/701		Market Based Increases	\$ 244 \$ 205
4	601/701			\$ - \$ -
5	601/701		Reduction in Meter Readers	\$ (17) \$ (17)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (109) \$ (106)
7	601/701		Reduce President Salary	\$ (50) \$ (49)
8	601/701			\$ - \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 242 \$ 227
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (2) \$ (2)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1) \$ (1)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (71) \$ (69)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (1,709) \$ (1,670)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (61) \$ (60)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12) \$ (11)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No. 12	\$ (37) \$ (36)
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 74 \$ 72
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (14) \$ (14)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (1) \$ (1)
47	660/760		Remove Lobbying Expenses	\$ (46) \$ (45)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (951) \$ (2,620)
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (17) \$ (16)
55	675/775		Remove Test Year Fines and Penalties	\$ (22) \$ (1)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (2,328)	\$ (4,012)

Aqua Utilities Florida, Inc.
Expense Adjustments
Silver Lake Oaks

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 70	NA
3		6 Month Net Depr (Addns less Retirements)		
4		Allocation of new corp. PCs and Network & Telephony enhancements	47	46
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(20)	(20)
9		TOTAL	\$ 97	\$ 26
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	(60)
14		Remove U&U Adjustment to Test Year Amortization of CIAC	1	-
15		TOTAL	\$ 1	\$ (60)
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 37	\$ 31
19		Property taxes associated with 2007 plant additions, allocations, adjustments	(26)	5
20		Property taxes associated with Pro Forma plant	155	9
21		Property Tax adjustment for Non-Used & Useful plant	(1)	(7)
22		TOTAL	\$ 164	\$ 39
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 714	\$ 1,576
26		TOTAL	\$ 714	\$ 1,576
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (1,353)	\$ (2,432)
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 21,967	\$ 20,981
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 66	\$ 63
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 989	\$ 944
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 13,108	\$ 18,710
44		Plus Required Revenue Adjustment	21,967	20,981
45		Rate Year Revenue at Proposed Rates	\$ 35,075	\$ 39,691
46				
47		Less Operating Expenses Before Income Taxes	\$ (27,423)	\$ (38,554)
48		Less Interest Expense	(2,598)	(413)
49		Taxable Income	\$ 5,055	\$ 724
50		Income Tax at Composite Rate of	38.575% \$ 1,950	\$ 279
51		Less Income Tax at Present Rates	6,117	7,426
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 8,067	\$ 7,705
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Tangerine

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (783)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (783)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ -
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	246
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	338
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	67
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	13,521
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(193)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(124)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(32)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 14,859	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Tangerine

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 2,432	NA
4	Allocation of Corp Structures & Improvements	42	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	43	NA
7	PSC Depr Rate Correction, Amort CIAC	2,124	NA
8	Reduction for NU&U	(2,735)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 1,906	NA
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ -	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	NA
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment RAF on Adj'd Rev less RAF Per Books	\$ (35)	NA
20	Payroll tax adjustment On Salary & Wage adjustments explained above	605	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment NU&U portion of Property Taxes	(860)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (291)	NA
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (8,802)	NA
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (8,802)	NA
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 7,672	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Tangerine

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 72	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 72</u>	<u>NA</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 746 \$ -
5	601/701		Market Based Increases	\$ 602 \$ -
4	601/701		Lake County Facility Operator II	\$ 306 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (113) \$ -
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (702) \$ -
8	601/701		Reduce President Salary	\$ (326) \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 751 \$ -
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (12) \$ -
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (174) \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (82) \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (5) \$ -
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (456) \$ -
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (11,071) \$ -
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (397) \$ -
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (76) \$ -
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (241) \$ -
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 481 \$ -
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (93) \$ -
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (8) \$ -
47	660/760		Remove Lobbying Expenses	\$ (296) \$ -
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (1,746) \$ -
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (107) \$ -
55	675/775		Remove Test Year Fines and Penalties	\$ (216) \$ -
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ -
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (13,235)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Tangerine

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 789	NA
3		6 Month Net Depr (Addns less Retirements)	303	NA
4		Allocation of new corp. PCs and Network & Telephony enhancements	-	NA
5				NA
6				NA
7				NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(130)	NA
9		TOTAL	\$ 961	NA
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	(1,527)	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC	136	NA
15		TOTAL	\$ (1,391)	NA
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 104	NA
19		Property taxes associated with 2007 plant additions, allocations, adjustments	10,280	NA
20		Property taxes associated with Pro Forma plant	935	-
21		Property Tax adjustment for Non-Used & Useful plant	(2,936)	NA
22		TOTAL	\$ 8,384	NA
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 1,574	NA
26		TOTAL	\$ 1,574	NA
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (3,706)	NA
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 35,614	NA
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 107	NA
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 1,603	NA
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 73,429	NA
44		Plus Required Revenue Adjustment	35,614	NA
45		Rate Year Revenue at Proposed Rates	\$ 109,043	NA
46				
47		Less Operating Expenses Before Income Taxes	\$ (89,132)	NA
48		Less Interest Expense	(6,833)	NA
49		Taxable Income	\$ 13,079	NA
50		Income Tax at Composite Rate of	38.575% \$ 5,045	NA
51		Less Income Tax at Present Rates	8,034	NA
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 13,079	NA
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
The Woods

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (184)	
4		Billed less Booked Revenue		\$ (157)
5		TOTAL REVENUE ADJUSTMENTS	\$ (184)	\$ (157)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 508 \$ (456)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	165 134
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	90 86
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	18 17
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	- (1,779)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(51) (49)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(33) (31)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 696	\$ (2,079)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
The Woods

Line No.	Description	Pro Forma Water	Pro Forma Sewer	
1	TEST YEAR ADJUSTMENTS - 2007, continued			
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)			
3	Allocation of Corporate IT	\$ 648	\$ 614	
4	Allocation of Corp Structures & Improvements	11	11	
5		-	-	
6	PSC Depr Rate Correction, Depr Expn	6,183	4,599	
7	PSC Depr Rate Correction, Amort CIAC	484	1,906	
8	Reduction for NU&U	(15)	(2,943)	
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 7,312	\$ 4,187	
10				
11				
12	D AMORTIZATION			
13		\$ -	\$ -	
14		-	-	
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ -	\$ -	
16				
17				
18	E TAXES OTHER THAN INCOME TAX			
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	\$ (9)	\$ (7)
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	196	111
21	Property tax adjustment		-	-
22	Property tax adjustment	NU&U portion of Property Taxes	(16)	(60)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ 171	\$ 44	
24				
25				
26	F INCOME TAXES			
27	Income tax impact of the adjustments to per book income	\$ (3,810)	\$ (1,171)	
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (3,810)	\$ (1,171)	
29				
30	TOTAL EXPENSE ADJUSTMENTS	\$ 4,369	\$ 981	

Aqua Utilities Florida, Inc.
Expense Adjustments
The Woods

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 19	\$ 18
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 19	\$ 18
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 500 \$ 406
5	601/701		Market Based Increases	\$ 527 \$ 321
4	601/701		Lake County Facility Operator II	\$ 285 \$ 129
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (30) \$ (29)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (187) \$ (178)
8	601/701		Reduce President Salary	\$ (87) \$ (82)
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 943 \$ 449
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3) \$ (3)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Fuel for Power Production for Fueling Generators	\$ (271) \$ -
17	618/718	Chemicals		\$ - \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1) \$ (1)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (122) \$ (115)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (2,952) \$ (2,797)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (106) \$ (100)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (20) \$ (19)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (64) \$ (61)
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 128 \$ 122
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (25) \$ (24)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (2) \$ (2)
47	660/760		Remove Lobbying Expenses	\$ (79) \$ (75)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (2,040) \$ (703)
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (28) \$ (27)
55	675/775		Remove Test Year Fines and Penalties	\$ (7) \$ (8)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (3,643)	\$ (2,797)

Aqua Utilities Florida, Inc.
Expense Adjustments
The Woods

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 292	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	81	77
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(35)	(33)
9	TOTAL	\$ 338	\$ 44
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	(1,866)
14	Remove U&U Adjustment to Test Year Amortization of CIAC	14	-
15	TOTAL	\$ 14	\$ (1,866)
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 79	\$ 56
19	Property taxes associated with 2007 plant additions, allocations, adjustments	197	305
20	Property taxes associated with Pro Forma plant	246	15
21	Property Tax adjustment for Non-Used & Useful plant	(6)	(117)
22	TOTAL	\$ 516	\$ 259
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 945	\$ 1,722
26	TOTAL	\$ 945	\$ 1,722
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (1,831)	\$ (2,639)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 32,986	\$ 29,958
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 99	\$ 90
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 1,484	\$ 1,348
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 23,038	\$ 20,093
44	Plus Required Revenue Adjustment	32,986	29,958
45	Rate Year Revenue at Proposed Rates	\$ 56,024	\$ 50,052
46			
47	Less Operating Expenses Before Income Taxes	\$ (50,494)	\$ (48,150)
48	Less Interest Expense	(1,859)	(642)
49	Taxable Income	\$ 3,671	\$ 1,259
50	Income Tax at Composite Rate of 38.575%	\$ 1,416	\$ 486
51	Less Income Tax at Present Rates	10,698	10,516
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 12,114	\$ 11,002
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Village Water

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (431)	
4		Billed less Booked Revenue		\$ (62,472)
5		TOTAL REVENUE ADJUSTMENTS	\$ (431)	\$ (62,472)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (54) \$ 114
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	129 202
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	Normalize Village Water Purchased Water	1,137 -
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	218 41
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	43 8
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	8,263 (1,854)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(125) (24)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(80) (15)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(24,094)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ (14,563)	\$ (1,527)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Village Water

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,570	\$ 299
4	Allocation of Corp Structures & Improvements	27	5
5		-	-
6	PSC Depr Rate Correction, Depr Expn	(613)	(4,199)
7	PSC Depr Rate Correction, Amort CIAC	(78)	(29)
8	Reduction for NU&U	(1,743)	(14,894)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (838)</u>	<u>\$ (18,818)</u>
10			
11			
12	D AMORTIZATION		
13		\$ -	\$ -
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ -</u>	<u>\$ -</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	
21	Property tax adjustment	Distributing from Water to Water & Sewer	
22	Property tax adjustment	NU&U portion of Property Taxes	
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (8,448)</u>	<u>\$ 2,882</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 7,516	\$ (21,936)
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 7,516</u>	<u>\$ (21,936)</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (16,333)</u>	<u>\$ (39,400)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Village Water

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 47	\$ 9
3		TOTAL REVENUE ADJUSTMENTS	\$ 47	\$ 9
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 390 \$ 612
5	601/701		Market Based Increases	\$ 370 \$ 530
4	601/701			\$ - \$ -
5	601/701		Reduction in Meter Readers	\$ (837) \$ (265)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (454) \$ (86)
7	601/701		Reduce President Salary	\$ (210) \$ (40)
8	601/701			\$ - \$ -
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 452 \$ 693
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7) \$ (1)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power		\$ - \$ -
17	618/718	Chemicals	Reduction per Staff Audit Finding No. 16	\$ - \$ (110)
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3) \$ (1)
22	633/733		Remove Legal Expenses Booked in Error to Village Water	\$ (25,712) \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (295) \$ (56)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (7,148) \$ (1,360)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (256) \$ (49)
31	636/736			\$ - \$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (1,413) \$ -
33	636/736		Reduction per Staff Audit Finding No. 17	\$ - \$ (11,841)
34	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (49) \$ (9)
35	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (156) \$ (30)
36	636/736		Adjustment to Deferred Maintenance	\$ - \$ (923)
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 311 \$ 59
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (60) \$ (11)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (5) \$ (1)
47	660/760		Remove Lobbying Expenses	\$ (191) \$ (36)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (1,043) \$ (93)
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (69) \$ (13)
55	675/775		Remove Test Year Fines and Penalties	\$ (2) \$ (15,015)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (36,389)	\$ (28,046)

Aqua Utilities Florida, Inc.
Expense Adjustments
Village Water

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 236	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	196	37
4		-	-
5		-	-
6		-	-
7		-	-
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(84)	(16)
9	TOTAL	\$ 348	\$ 21
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	-	-
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15	TOTAL	\$ -	\$ -
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 59	\$ 87
19	Property taxes associated with 2007 plant additions, allocations, adjustments	532	12,065
20	Property taxes associated with Pro Forma plant	309	7
21	Property Tax adjustment for Non-Used & Useful plant	(206)	(2,529)
22	TOTAL	\$ 694	\$ 9,630
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 13,552	\$ 7,120
26	TOTAL	\$ 13,552	\$ 7,120
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (21,795)	\$ (11,274)
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 42,544	\$ 66,961
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 127	\$ 200
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 1,914	\$ 3,013
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 100,129	\$ 93,638
44	Plus Required Revenue Adjustment	42,544	66,961
45	Rate Year Revenue at Proposed Rates	\$ 142,673	\$ 160,599
46			
47	Less Operating Expenses Before Income Taxes	\$ (130,335)	\$ (125,420)
48	Less Interest Expense	(4,195)	(11,804)
49	Taxable Income	\$ 8,143	\$ 23,375
50	Income Tax at Composite Rate of 38.575%	\$ 3,141	\$ 9,017
51	Less Income Tax at Present Rates	12,483	15,574
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 15,624	\$ 24,591
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Valencia Terrace

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (616)	
4		Billed less Booked Revenue		\$ (1,105)
5		TOTAL REVENUE ADJUSTMENTS	\$ (616)	\$ (1,105)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (94)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	201
				\$ (59)
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	-	-
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	420
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	83
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	10,226
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(240)
			Normalize 2007 Intercompany misallocation due to Fairways	(154)
39	675/775			8,478
40				(236)
41				
42		TOTAL O&M ADJUSTMENTS	\$ 10,443	\$ 8,734
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Valencia Terrace

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 3,021	\$ 2,978
4	Allocation of Corp Structures & Improvements	52	51
5		-	-
6	PSC Depr Rate Correction, Depr Expn	82	312
7	PSC Depr Rate Correction, Amort CIAC	256	193
8	Reduction for NU&U	(1,560)	(5,726)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ 1,851	\$ (2,191)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 2,140	\$ 2,154
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 2,140	\$ 2,154
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	RAF on Adj'd Rev less RAF Per Books	
20	Payroll tax adjustment	On Salary & Wage adjustments explained above	
21	Property tax adjustment	Distributing from Water to Water & Sewer	
22	Property tax adjustment	NU&U portion of Property Taxes	
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (2,596)	\$ 2,837
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (7,039)	\$ (6,918)
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (7,039)	\$ (6,918)
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 4,799	\$ 4,616

Aqua Utilities Florida, Inc.
Expense Adjustments
Valencia Terrace

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 90	\$ 89
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 90	\$ 89
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 609 \$ 631
5	601/701		Market Based Increases	\$ 354 \$ 434
4	601/701		Lake County Facility Operator II	\$ 311 \$ -
5	601/701			\$ - \$ -
6	601/701		Reduction in Meter Readers	\$ (140) \$ (999)
7	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (873) \$ -
8	601/701		Reduce President Salary	\$ (405) \$ (399)
9	601/701			\$ - \$ -
10	601/701			\$ - \$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ - \$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 490 \$ 492
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (14) \$ (14)
13	610/710	Purchased Water / Sewer Treatment		\$ - \$ -
14	NA /711	Sludge Removal Expense		\$ - \$ -
15	615/715	Purchased Power		\$ - \$ -
16	616/716	Fuel for Purchased Power	Adjustment to Chemicals and Purchased Power for Flushing	\$ (134) \$ -
17	618/718	Chemicals	Adjustment to Chemicals and Purchased Power for Flushing	\$ (38) \$ -
18	620/720	Materials & Supplies		\$ - \$ -
19	631/731	Contractual Services - Engineering		\$ - \$ -
20	632/732	Contractual Services - Accounting		\$ - \$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (6) \$ (6)
22	633/733			\$ - \$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ - \$ -
24	634/734			\$ - \$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (567) \$ (559)
26	634/734			\$ - \$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (13,752) \$ (13,557)
28	635/735	Contractual Services - Testing		\$ - \$ -
29	636/736	Contractual Services - Other		\$ - \$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (493) \$ (487)
31	636/736			\$ - \$ -
32	636/736			\$ - \$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (94) \$ (93)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (300) \$ (296)
35	636/736			\$ - \$ -
36	636/736			\$ - \$ -
37	636/736			\$ - \$ -
38	641/741	Rental of Building/Real Prop.		\$ - \$ -
39	642/742	Rental of Equipment		\$ - \$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 597 \$ 589
41	656/756	Insurance - Vehicle		\$ - \$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (116) \$ (114)
43	658/758	Insurance - Workman's Comp.		\$ - \$ -
44	659/759	Insurance - Other		\$ - \$ -
45	660/760	Advertising Expense		\$ - \$ -
46	660/760		Remove Advertising Expenses	\$ (10) \$ (10)
47	660/760		Remove Lobbying Expenses	\$ (367) \$ (362)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ - \$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ - \$ -
50	670/770	Bad Debt Expense		\$ - \$ -
51	670/770			\$ - \$ -
52	670/770		Adjustment to Bad Debt	\$ (216) \$ (107)
53	675/775	Miscellaneous Expense		\$ - \$ -
54	675/775		Normalize Relocation Expenses	\$ (133) \$ (131)
55	675/775		Remove Test Year Fines and Penalties	\$ (195) \$ (297)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0) \$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (15,491)	\$ (15,285)

Aqua Utilities Florida, Inc.
Expense Adjustments
Valencia Terrace

PRO FORMA ADJUSTMENTS, continued					
Line No.	Description	Water	Sewer		
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)				
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ (8)	NA		
3	Allocation of new corp. PCs and Network & Telephony enhancements	376		371	
4	SCADA - Telemetry system	694			
5					
6					
7					
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(162)		(160)	
9	TOTAL	\$ 901	\$	211	
10					
11					
12	D AMORTIZATION				
13	Correct Test Year Amortization of CIAC	(355)		(486)	
14	Remove U&U Adjustment to Test Year Amortization of CIAC				
15	TOTAL	\$ (355)	\$	(486)	
16					
17	E TAXES OTHER THAN INCOME TAX				
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 75	\$	83	
19	Property taxes associated with 2007 plant additions, allocations, adjustments	155		337	
20	Property taxes associated with Pro Forma plant	725		73	
21	Property Tax adjustment for Non-Used & Useful plant	(163)		(79)	
22	TOTAL	\$ 792	\$	415	
23					
24	F INCOME TAXES				
25	Income tax impact of the adjustments to per book income	\$ 5,220	\$	6,084	
26	TOTAL	\$ 5,220	\$	6,084	
27					
28	TOTAL EXPENSE ADJUSTMENTS	\$ (8,933)	\$	(9,061)	
29					
30					
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS				
32					
33	A NET OPERATING REVENUE				
34	Required Revenue Adjustment	\$ 983	\$	(2,333)	
35					
36	B OPERATION & MAINTENANCE EXPENSE				
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 3	\$	(7)	
38					
39	E TAXES OTHER THAN INCOME TAX				
40	RAF on Revenue Adjustment @ 4.500%	\$ 44	\$	(105)	
41					
42	F INCOME TAX ADJUSTMENT				
43	Rate Year Revenue at Present Rates	\$ 93,048	\$	126,687	
44	Plus Required Revenue Adjustment	983		(2,333)	
45	Rate Year Revenue at Proposed Rates	\$ 94,031	\$	124,355	
46					
47	Less Operating Expenses Before Income Taxes	\$ (74,733)	\$	(110,275)	
48	Less Interest Expense	(6,505)		(4,756)	
49	Taxable Income	\$ 12,793	\$	9,324	
50	Income Tax at Composite Rate of 38.575%	\$ 4,935	\$	3,597	
51	Less Income Tax at Present Rates	(4,574)		(4,454)	
52					
53	Income Tax Adjustment for Requested Revenue Increase	\$ 361	\$	(857)	
54					
55					

Aqua Utilities Florida, Inc.
Expense Adjustments
Venetian Village

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (487)	
4		Billed less Booked Revenue		\$ (433)
5		TOTAL REVENUE ADJUSTMENTS	\$ (487)	\$ (433)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 306 \$ (227)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	120 111
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	196 113
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	39 22
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	3,447 (75,759)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(112) (64)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(72) (41)
40				
41				
42		TOTAL O&M ADJUSTMENTS	\$ 3,923	\$ (75,847)
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Venetian Village

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,408	\$ 811
4	Allocation of Corp Structures & Improvements	24	14
5		-	-
6	PSC Depr Rate Correction, Depr Expn	55	(11)
7	PSC Depr Rate Correction, Amort CIAC	(705)	(1,092)
8	Reduction for NU&U	(1,793)	(4,361)
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ (1,010)</u>	<u>\$ (4,639)</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 775	\$ 492
14		-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 775</u>	<u>\$ 492</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (24)	\$ (44)
20	Payroll tax adjustment	344	188
21	Property tax adjustment	(1,124)	1,124
22	Property tax adjustment	(496)	(456)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (1,300)</u>	<u>\$ 812</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (2,065)	\$ 29,611
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ (2,065)</u>	<u>\$ 29,611</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 324</u>	<u>\$ (49,571)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Venetian Village

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 42	\$ 24
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	<u>\$ 42</u>	<u>\$ 24</u>
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees		
5	601/701	4.0% Wage increase effective 4/1/08	\$ 362	\$ 335
4	601/701	Market Based Increases	\$ 287	\$ 216
5	601/701	Lake County Facility Operator II	\$ 14	\$ -
6	601/701	Reduction in Meter Readers	\$ (65)	\$ (38)
7	601/701	Remove Carl Smith Salary - Acquisition Related	\$ (407)	\$ (234)
8	601/701	Reduce President Salary	\$ (189)	\$ (108)
9	601/701		\$ -	\$ -
10	601/701		\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.	\$ -	\$ -
12	604/704	Employee Pensions & Benefits		
	604/704	Increase in Benefit costs/head in 2008	\$ 402	\$ 330
	604/704	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (7)	\$ (4)
13	610/710	Purchased Water / Sewer Treatment	\$ -	\$ -
14	NA /711	Sludge Removal Expense	\$ -	\$ -
15	615/715	Purchased Power	\$ -	\$ -
16	616/716	Fuel for Purchased Power	\$ -	\$ -
17	618/718	Chemicals	\$ -	\$ -
18	620/720	Materials & Supplies	\$ -	\$ -
19	631/731	Contractual Services - Engineering	\$ -	\$ -
20	632/732	Contractual Services - Accounting	\$ -	\$ -
21	633/733	Contractual Services - Legal		
22	633/733	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)	\$ (2)
23	634/734	Contractual Services - Mgmt. Fees	\$ -	\$ -
24	634/734		\$ -	\$ -
25	634/734	Service Co. allocation adjustment for dual Water/Sewer customers	\$ (264)	\$ (152)
26	634/734		\$ -	\$ -
27	634/734	Remove Excess Costs Charged from Affiliates	\$ (6,410)	\$ (3,690)
28	635/735	Contractual Services - Testing	\$ -	\$ -
29	636/736	Contractual Services - Other		
30	636/736	ACO allocation adjustment for dual Water/Sewer customers	\$ (230)	\$ (132)
31	636/736		\$ -	\$ -
32	636/736		\$ -	\$ -
33	636/736	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (44)	\$ (25)
34	636/736	Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (140)	\$ (80)
35	636/736		\$ -	\$ -
36	636/736		\$ -	\$ -
37	636/736		\$ -	\$ -
38	641/741	Rental of Building/Real Prop.	\$ -	\$ -
39	642/742	Rental of Equipment	\$ -	\$ -
40	650/750	Transportation Expenses		
41	656/756	Insurance - Vehicle	\$ 278	\$ 160
42	657/757	Insurance - General Liability	\$ -	\$ -
43	658/758	Insurance - Workman's Comp.	\$ (54)	\$ (31)
44	659/759	Insurance - Other	\$ -	\$ -
45	660/760	Advertising Expense	\$ -	\$ -
46	660/760	Remove Advertising Expenses	\$ (5)	\$ (3)
47	660/760	Remove Lobbying Expenses	\$ (171)	\$ (98)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.	\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other	\$ -	\$ -
50	670/770	Bad Debt Expense	\$ -	\$ -
51	670/770		\$ -	\$ -
52	670/770	Adjustment to Bad Debt	\$ (147)	\$ 27
53	675/775	Miscellaneous Expense	\$ -	\$ -
54	675/775	Normalize Relocation Expenses	\$ (62)	\$ (36)
55	675/775	Remove Test Year Fines and Penalties	\$ (81)	\$ (73)
56	675/775	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	<u>\$ (6,934)</u>	<u>\$ (3,638)</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Venetian Village

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 637	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements	175	101
4			-	-
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(75)	(43)
9		TOTAL	<u>\$ 737</u>	<u>\$ 58</u>
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	-
14		Remove U&U Adjustment to Test Year Amortization of CIAC	80	-
15		TOTAL	<u>\$ 80</u>	<u>\$ -</u>
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment	\$ 50	\$ 43
19		Property taxes associated with 2007 plant additions, allocations, adjustments	(44)	99
20		Property taxes associated with Pro Forma plant	562	20
21		Property Tax adjustment for Non-Used & Useful plant	(172)	(48)
22		TOTAL	<u>\$ 397</u>	<u>\$ 113</u>
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 1,913	\$ 1,404
26		TOTAL	<u>\$ 1,913</u>	<u>\$ 1,404</u>
27				
28		TOTAL EXPENSE ADJUSTMENTS	<u>\$ (3,808)</u>	<u>\$ (2,063)</u>
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	<u>\$ (6,174)</u>	<u>\$ (1,600)</u>
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	<u>\$ (18)</u>	<u>\$ (5)</u>
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @ 4.500%	<u>\$ (278)</u>	<u>\$ (72)</u>
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 57,990	\$ 49,464
44		Plus Required Revenue Adjustment	(6,174)	(1,600)
45		Rate Year Revenue at Proposed Rates	<u>\$ 51,816</u>	<u>\$ 47,864</u>
46				
47		Less Operating Expenses Before Income Taxes	\$ (42,226)	\$ (42,496)
48		Less Interest Expense	(3,281)	(1,837)
49		Taxable Income	<u>\$ 6,309</u>	<u>\$ 3,531</u>
50		Income Tax at Composite Rate of 38.575%	\$ 2,434	\$ 1,362
51		Less Income Tax at Present Rates	(4,701)	(1,950)
52				
53		Income Tax Adjustment for Requested Revenue Increase	<u>\$ (2,267)</u>	<u>\$ (588)</u>
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Welaka/Saratoga Harbour

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (384)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	<u>\$ (384)</u>	<u>NA</u>
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 207
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	97
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	184
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	36
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	903
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(105)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(67)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(89)
41				
42		TOTAL O&M ADJUSTMENTS	<u>\$ 1,166</u>	<u>NA</u>
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Welaka/Saratoga Harbour

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 1,323	NA
4	Allocation of Corp Structures & Improvements	23	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	232	NA
7	PSC Depr Rate Correction, Amort CIAC	(166)	NA
8	Reduction for NU&U	(1,047)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 365</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 775	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 775</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (17)	NA
20	Payroll tax adjustment	341	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(526)	NA
	NU&U portion of Property Taxes		
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ (202)</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 3,064	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 3,064</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ 5,168</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Welaka/Saratoga Harbour

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 39	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 39	NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 293
5	601/701		Market Based Increases	\$ 239
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (61)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (382)
7	601/701		Reduce President Salary	\$ (177)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 223
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (6)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (3)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (248)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (6,021)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (216)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (41)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (131)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 261
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (51)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (4)
47	660/760		Remove Lobbying Expenses	\$ (161)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (1,106)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (58)
55	675/775		Remove Test Year Fines and Penalties	\$ (67)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (7,717)	NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Welaka/Saratoga Harbour

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 148	NA
3		Allocation of new corp. PCs and Network & Telephony enhancements	165	NA
4			-	
5				NA
6			-	
7				NA
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(71)	NA
9		TOTAL	\$ 242	NA
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	NA
14		Remove U&U Adjustment to Test Year Amortization of CIAC	62	NA
15		TOTAL	\$ 62	NA
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 62	NA
19		Property taxes associated with 2007 plant additions, allocations, adjustments	(112)	NA
20		Property taxes associated with Pro Forma plant	239	-
21		Property Tax adjustment for Non-Used & Useful plant	(17)	NA
22		TOTAL	\$ 171	NA
23				
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 2,534	NA
26		TOTAL	\$ 2,534	NA
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (4,708)	NA
29				
30				
31		UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 15,728	NA
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 47	NA
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500% \$ 708	NA
41				
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 46,249	NA
44		Plus Required Revenue Adjustment	15,728	NA
45		Rate Year Revenue at Proposed Rates	\$ 61,977	NA
46				
47		Less Operating Expenses Before Income Taxes	\$ (51,852)	NA
48		Less Interest Expense	(3,435)	NA
49		Taxable Income	\$ 6,690	NA
50		Income Tax at Composite Rate of	38.575% \$ 2,581	NA
51		Less Income Tax at Present Rates	3,195	NA
52				
53		Income Tax Adjustment for Requested Revenue Increase	\$ 5,776	NA
54				
55				

Aqua Utilities Florida, Inc.
Expense Adjustments
Wootens

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (53)	
4		Billed less Booked Revenue		NA
5		TOTAL REVENUE ADJUSTMENTS	\$ (53)	NA
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ 264
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	63
10	603/703	Salaries & Wages - Officers, Exec.		-
11	604/704	Employee Pensions & Benefits		-
12	610/710	Purchased Water / Sewer Treatment		-
13	NA /711	Sludge Removal Expense		-
14	615/715	Purchased Power		-
15	616/716	Fuel for Purchased Power		-
16	618/718	Chemicals		-
17	620/720	Materials & Supplies		-
18	631/731	Contractual Services - Engineering		-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	34
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	7
21	634/734	Contractual Services - Mgmt. Fees		-
22	634/734			-
23	634/734			-
24	635/735	Contractual Services - Testing		-
25	636/736	Contractual Services - Other		-
26	641/741	Rental of Building/Real Prop.		-
27	642/742	Rental of Equipment		-
28	650/750	Transportation Expenses		-
29	656/756	Insurance - Vehicle		-
30	657/757	Insurance - General Liability		-
31	658/758	Insurance - Workman's Comp.		-
32	659/759	Insurance - Other		-
33	660/760	Advertising Expense		-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.		-
35	667/767	Reg. Comm. Exp. - Rate Case Other		-
36	670/770	Bad Debt Expense		-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	(27,530)
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(20)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(13)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals		(175)
41				
42		TOTAL O&M ADJUSTMENTS	\$ (27,370)	NA
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Wootens

Line No.	Acct	Description	Water	Sewer
1		PRO FORMA ADJUSTMENTS		
2	A	REVENUES		
3		Aqua America Commission	\$ 7	\$ -
2			\$ -	\$ -
3		TOTAL REVENUE ADJUSTMENTS	\$ 7	\$ NA
4				
3	B	OPERATIONS & MAINTENANCE		
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 190
5	601/701		Market Based Increases	\$ 181
4	601/701			\$ -
5	601/701		Reduction in Meter Readers	\$ (11)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (71)
7	601/701		Reduce President Salary	\$ (33)
8	601/701			\$ -
9	601/701			\$ -
10	601/701			\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 213
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (1)
13	610/710	Purchased Water / Sewer Treatment		\$ -
14	NA /711	Sludge Removal Expense		\$ -
15	615/715	Purchased Power		\$ -
16	616/716	Fuel for Purchased Power		\$ -
17	618/718	Chemicals		\$ -
18	620/720	Materials & Supplies		\$ -
19	631/731	Contractual Services - Engineering		\$ -
20	632/732	Contractual Services - Accounting		\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
22	633/733			\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -
24	634/734			\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (46)
26	634/734			\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (1,127)
28	635/735	Contractual Services - Testing		\$ -
29	636/736	Contractual Services - Other		\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (40)
31	636/736			\$ -
32	636/736			\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (8)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (24)
35	636/736			\$ -
36	636/736			\$ -
37	636/736			\$ -
38	641/741	Rental of Building/Real Prop.		\$ -
39	642/742	Rental of Equipment		\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 49
41	656/756	Insurance - Vehicle		\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (9)
43	658/758	Insurance - Workman's Comp.		\$ -
44	659/759	Insurance - Other		\$ -
45	660/760	Advertising Expense		\$ -
46	660/760		Remove Advertising Expenses	\$ (1)
47	660/760		Remove Lobbying Expenses	\$ (30)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -
50	670/770	Bad Debt Expense		\$ -
51	670/770			\$ -
52	670/770		Adjustment to Bad Debt	\$ (27)
53	675/775	Miscellaneous Expense		\$ -
54	675/775		Normalize Relocation Expenses	\$ (11)
55	675/775		Remove Test Year Fines and Penalties	\$ (10)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)
57				
58				
59		TOTAL O&M ADJUSTMENTS	\$ (818)	\$ NA

Aqua Utilities Florida, Inc.
Expense Adjustments
Wootens

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 247	NA
4	Allocation of Corp Structures & Improvements	4	NA
5	PSC Audit Adjustments	-	NA
6	PSC Depr Rate Correction, Depr Expn	83	NA
7	PSC Depr Rate Correction, Amort CIAC	595	NA
8	Reduction for NU&U	(19)	NA
9	TOTAL DEPRECIATION ADJUSTMENTS	<u>\$ 910</u>	<u>NA</u>
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 136	NA
14	-	-	NA
15	TOTAL AMORTIZATION ADJUSTMENTS	<u>\$ 136</u>	<u>NA</u>
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (2)	NA
20	Payroll tax adjustment	86	NA
21	Property tax adjustment	-	NA
22	Property tax adjustment	(11)	NA
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>\$ 72</u>	<u>NA</u>
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ 9,522	NA
28	TOTAL INCOME TAX ADJUSTMENTS	<u>\$ 9,522</u>	<u>NA</u>
29			
30	TOTAL EXPENSE ADJUSTMENTS	<u>\$ (16,730)</u>	<u>NA</u>

Aqua Utilities Florida, Inc.
Expense Adjustments
Wootens

PRO FORMA ADJUSTMENTS, continued			
Line No.	Description	Water	Sewer
1	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2	Meter Replacements 6 Month Net Depr (Addns less Retirements)	\$ 59	NA
3	Allocation of new corp. PCs and Network & Telephony enhancements	31	NA
4		-	
5			NA
6		-	
7			NA
8	Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(13)	NA
9	TOTAL	\$ 76	NA
10			
11			
12	D AMORTIZATION		
13	Correct Test Year Amortization of CIAC	(319)	NA
14	Remove U&U Adjustment to Test Year Amortization of CIAC	-	NA
15	TOTAL	\$ (319)	NA
16			
17	E TAXES OTHER THAN INCOME TAX		
18	Payroll tax adjustment On Salary & Wage adjustments explained above	\$ 29	NA
19	Property taxes associated with 2007 plant additions, allocations, adjustments	55	NA
20	Property taxes associated with Pro Forma plant	100	
21	Property Tax adjustment for Non-Used & Useful plant	(1)	NA
22	TOTAL	\$ 183	NA
23			
24	F INCOME TAXES		
25	Income tax impact of the adjustments to per book income	\$ 283	NA
26	TOTAL	\$ 283	NA
27			
28	TOTAL EXPENSE ADJUSTMENTS	\$ (595)	NA
29			
30			
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS		
32			
33	A NET OPERATING REVENUE		
34	Required Revenue Adjustment	\$ 17,991	NA
35			
36	B OPERATION & MAINTENANCE EXPENSE		
37	Bad Debt Adjustment Due To Proposed Rate Increase	\$ 54	NA
38			
39	E TAXES OTHER THAN INCOME TAX		
40	RAF on Revenue Adjustment @ 4.500%	\$ 810	NA
41			
42	F INCOME TAX ADJUSTMENT		
43	Rate Year Revenue at Present Rates	\$ 7,085	NA
44	Plus Required Revenue Adjustment	17,991	NA
45	Rate Year Revenue at Proposed Rates	\$ 25,076	NA
46			
47	Less Operating Expenses Before Income Taxes	\$ (20,122)	NA
48	Less Interest Expense	(1,666)	NA
49	Taxable Income	\$ 3,288	NA
50	Income Tax at Composite Rate of 38.575%	\$ 1,268	NA
51	Less Income Tax at Present Rates	5,339	NA
52			
53	Income Tax Adjustment for Requested Revenue Increase	\$ 6,607	NA
54			
55			

Aqua Utilities Florida, Inc.
Expense Adjustments
Zephyr Shores

Line No.	Acct	Description	2007 Water	2007 Sewer
1		TEST YEAR ADJUSTMENTS - 2007		
2	A	REVENUES		
3		Billed less Booked Revenue	\$ (599)	
4		Billed less Booked Revenue		\$ (710)
5		TOTAL REVENUE ADJUSTMENTS	\$ (599)	\$ (710)
6				
7	B	OPERATIONS & MAINTENANCE		
8	601/701	Salaries & Wages - Employees	Normalize 2007 employee terminations & New Hires	\$ (245)
9	601/701		Normalize 4.0% Wage increase effective 4/1/07 (additional 1.0%)	153
10	603/703	Salaries & Wages - Officers, Exec.	-	-
11	604/704	Employee Pensions & Benefits	-	-
12	610/710	Purchased Water / Sewer Treatment	Normalize Zephyr Shores Purchased Water	1,758
13	NA /711	Sludge Removal Expense	-	-
14	615/715	Purchased Power	-	-
15	616/716	Fuel for Purchased Power	-	-
16	618/718	Chemicals	-	-
17	620/720	Materials & Supplies	-	-
18	631/731	Contractual Services - Engineering	-	-
19	632/732	Contractual Services - Accounting	Normalize 2007 Audit Fees	613
20	633/733	Contractual Services - Legal	Normalize Legal fees on Used & Useful	121
21	634/734	Contractual Services - Mgmt. Fees	-	-
22	634/734		-	-
23	634/734		-	-
24	635/735	Contractual Services - Testing	-	-
25	636/736	Contractual Services - Other	-	-
26	641/741	Rental of Building/Real Prop.	-	-
27	642/742	Rental of Equipment	-	-
28	650/750	Transportation Expenses	-	-
29	656/756	Insurance - Vehicle	-	-
30	657/757	Insurance - General Liability	-	-
31	658/758	Insurance - Workman's Comp.	-	-
32	659/759	Insurance - Other	-	-
33	660/760	Advertising Expense	-	-
34	666/766	Reg. Comm. Exp. - Rate Case Amort.	-	-
35	667/767	Reg. Comm. Exp. - Rate Case Other	-	-
36	670/770	Bad Debt Expense	-	-
37	675/775	Miscellaneous Expense	Normalize 2007 Intercompany allocations	21,122
38	675/775		Normalize 2007 Intracompany misallocation of a/c 426 to Operating Expenses	(350)
39	675/775		Normalize 2007 Intercompany misallocation due to Fairways	(225)
40		Excess water loss adjustment for Purchased Water, Power, and Chemicals	(143)	
41				
42		TOTAL O&M ADJUSTMENTS	\$ 15,988	\$ 22,947
43				

Aqua Utilities Florida, Inc.
Expense Adjustments
Zephyr Shores

Line No.	Description	Pro Forma Water	Pro Forma Sewer
1	TEST YEAR ADJUSTMENTS - 2007, continued		
2	C DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
3	Allocation of Corporate IT	\$ 4,445	\$ 4,411
4	Allocation of Corp Structures & Improvements	76	76
5		-	-
6	PSC Depr Rate Correction, Depr Expn	77	-
7	PSC Depr Rate Correction, Amort CIAC	(763)	(825)
8	Reduction for NU&U	(3,863)	(6,894)
9	TOTAL DEPRECIATION ADJUSTMENTS	\$ (27)	\$ (3,232)
10			
11			
12	D AMORTIZATION		
13	To record annual amortization of regulatory assets per order PSC-05-1242-PAA-WS	\$ 2,772	\$ 2,761
14	-	-	-
15	TOTAL AMORTIZATION ADJUSTMENTS	\$ 2,772	\$ 2,761
16			
17			
18	E TAXES OTHER THAN INCOME TAX		
19	RAF adjustment	\$ (27)	\$ (32)
20	Payroll tax adjustment	1,236	1,222
21	Property tax adjustment	(2,351)	2,351
22	Property tax adjustment	(1,305)	(1,005)
23	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	\$ (2,447)	\$ 2,535
24			
25			
26	F INCOME TAXES		
27	Income tax impact of the adjustments to per book income	\$ (7,652)	\$ (11,161)
28	TOTAL INCOME TAX ADJUSTMENTS	\$ (7,652)	\$ (11,161)
29			
30	TOTAL EXPENSE ADJUSTMENTS	\$ 8,634	\$ 13,851

Aqua Utilities Florida, Inc.
Expense Adjustments
Zephyr Shores

Line No.	Acct	Description	Water	Sewer	
1		PRO FORMA ADJUSTMENTS			
2	A	REVENUES			
3		Aqua America Commission	\$ 132	\$ 131	
2			\$ -	\$ -	
3		TOTAL REVENUE ADJUSTMENTS	\$ 132	\$ 131	
4					
3	B	OPERATIONS & MAINTENANCE			
4	601/701	Salaries & Wages - Employees	4.0% Wage increase effective 4/1/08	\$ 962	\$ 465
5	601/701		Market Based Increases	\$ 562	\$ 99
4	601/701			\$ -	\$ -
5	601/701		Reduction in Meter Readers	\$ (816)	\$ (205)
6	601/701		Remove Carl Smith Salary - Acquisition Related	\$ (1,284)	\$ (1,274)
7	601/701		Reduce President Salary	\$ (596)	\$ (591)
8	601/701			\$ -	\$ -
9	601/701			\$ -	\$ -
10	601/701			\$ -	\$ -
11	603/703	Salaries & Wages - Officers, Exec.		\$ -	\$ -
12	604/704	Employee Pensions & Benefits	Increase in Benefit costs/head in 2008	\$ 690	\$ 131
	604/704		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (21)	\$ (21)
13	610/710	Purchased Water / Sewer Treatment	Zephyr Shores Pro Forma Purchased Wastewater	\$ -	\$ 271
14	NA./711	Sludge Removal Expense		\$ -	\$ -
15	615/715	Purchased Power		\$ -	\$ -
16	616/716	Fuel for Purchased Power		\$ -	\$ -
17	618/718	Chemicals		\$ -	\$ -
18	620/720	Materials & Supplies		\$ -	\$ -
19	631/731	Contractual Services - Engineering		\$ -	\$ -
20	632/732	Contractual Services - Accounting		\$ -	\$ -
21	633/733	Contractual Services - Legal	Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (9)	\$ (9)
22	633/733			\$ -	\$ -
23	634/734	Contractual Services - Mgmt. Fees		\$ -	\$ -
24	634/734			\$ -	\$ -
25	634/734		Service Co. allocation adjustment for dual Water/Sewer customers	\$ (834)	\$ (828)
26	634/734			\$ -	\$ -
27	634/734		Remove Excess Costs Charged from Affiliates	\$ (20,239)	\$ (20,083)
28	635/735	Contractual Services - Testing	Normalizing Testing Expenses	\$ (1,437)	\$ -
29	636/736	Contractual Services - Other		\$ -	\$ -
30	636/736		ACO allocation adjustment for dual Water/Sewer customers	\$ (726)	\$ (720)
31	636/736			\$ -	\$ -
32	636/736		Eliminate O/S Contractor meter reading	\$ (2,344)	\$ -
33	636/736		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (138)	\$ (137)
34	636/736		Disallow Shareholders Services Expenses per Staff Audit Finding No.12	\$ (441)	\$ (438)
35	636/736			\$ -	\$ -
36	636/736			\$ -	\$ -
37	636/736			\$ -	\$ -
38	641/741	Rental of Building/Real Prop.		\$ -	\$ -
39	642/742	Rental of Equipment		\$ -	\$ -
40	650/750	Transportation Expenses	Adjust fuel to \$3.36/gal	\$ 879	\$ 872
41	656/756	Insurance - Vehicle		\$ -	\$ -
42	657/757	Insurance - General Liability	Remove Executive Risk Insurance Expenses	\$ (170)	\$ (169)
43	658/758	Insurance - Workman's Comp.		\$ -	\$ -
44	659/759	Insurance - Other		\$ -	\$ -
45	660/760	Advertising Expense		\$ -	\$ -
46	660/760		Remove Advertising Expenses	\$ (14)	\$ (14)
47	660/760		Remove Lobbying Expenses	\$ (541)	\$ (536)
48	666/766	Reg. Comm. Exp. - Rate Case Amort.		\$ -	\$ -
49	667/767	Reg. Comm. Exp. - Rate Case Other		\$ -	\$ -
50	670/770	Bad Debt Expense		\$ -	\$ -
51	670/770			\$ -	\$ -
52	670/770		Adjustment to Bad Debt	\$ (968)	\$ 160
53	675/775	Miscellaneous Expense		\$ -	\$ -
54	675/775		Normalize Relocation Expenses	\$ (195)	\$ (194)
55	675/775		Remove Test Year Fines and Penalties	\$ (3,635)	\$ (227)
56	675/775		Remove Prior Period Expenses per Staff Audit Finding No. 10	\$ (0)	\$ (0)
57					
58					
59		TOTAL O&M ADJUSTMENTS	\$ (31,316)	\$ (23,450)	

Aqua Utilities Florida, Inc.
Expense Adjustments
Zephyr Shores

PRO FORMA ADJUSTMENTS, continued				
Line No.	Description		Water	Sewer
1	C	DEPRECIATION NET OF AMORTIZATION OF CIAC (Used & Useful)		
2		Meter Replacements	\$ 805	NA
3		6 Month Net Depr (Addns less Retirements)		
4		Allocation of new corp. PCs and Network & Telephony enhancements	554	550
5			-	-
6			-	-
7			-	-
8		Remove Depreciation Expense Allocated from Aqua America per Staff Audit Finding No. 19	(238)	(236)
9		TOTAL	\$ 1,121	\$ 313
10				
11				
12	D	AMORTIZATION		
13		Correct Test Year Amortization of CIAC	-	-
14		Remove U&U Adjustment to Test Year Amortization of CIAC	-	-
15		TOTAL	\$ -	\$ -
16				
17	E	TAXES OTHER THAN INCOME TAX		
18		Payroll tax adjustment	\$ 119	\$ 46
19		On Salary & Wage adjustments explained above		
20		Property taxes associated with 2007 plant additions, allocations, adjustments	8	(63)
21		Property taxes associated with Pro Forma plant	820	108
22		Property Tax adjustment for Non-Used & Useful plant	(402)	(19)
23		TOTAL	\$ 545	\$ 71
24	F	INCOME TAXES		
25		Income tax impact of the adjustments to per book income	\$ 11,253	\$ 9,261
26		TOTAL	\$ 11,253	\$ 9,261
27				
28		TOTAL EXPENSE ADJUSTMENTS	\$ (18,397)	\$ (13,805)
29				
30				
31	UTILITY PROPOSED REVENUE REQUIREMENT ADJUSTMENTS			
32				
33	A	NET OPERATING REVENUE		
34		Required Revenue Adjustment	\$ 20,894	\$ (32,527)
35				
36	B	OPERATION & MAINTENANCE EXPENSE		
37		Bad Debt Adjustment Due To Proposed Rate Increase	\$ 62	\$ (97)
38				
39	E	TAXES OTHER THAN INCOME TAX		
40		RAF on Revenue Adjustment @	4.500%	
41			\$ 940	\$ (1,464)
42	F	INCOME TAX ADJUSTMENT		
43		Rate Year Revenue at Present Rates	\$ 76,431	\$ 133,851
44		Plus Required Revenue Adjustment	20,894	(32,527)
45		Rate Year Revenue at Proposed Rates	\$ 97,325	\$ 101,324
46				
47		Less Operating Expenses Before Income Taxes	\$ (86,828)	\$ (94,293)
48		Less Interest Expense	(3,563)	(2,401)
49		Taxable Income	\$ 6,934	\$ 4,630
50		Income Tax at Composite Rate of	38.575%	
51		Less Income Tax at Present Rates	\$ 2,675	\$ 1,786
52			4,998	(13,731)
53		Income Tax Adjustment for Requested Revenue Increase	\$ 7,673	\$ (11,945)
54				
55				