

CLASS "C"
WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

WU190-07-AR

PASCO UTILITIES, INC.

Exact Legal Name of Respondent

Submitted To The
STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2007

J. S. BAILLIE, JR.
CERTIFIED PUBLIC ACCOUNTANT
2153 GRAND BLVD.
HOLIDAY, FL 34690
(727) 937-6650

April 29, 2008

Board of Directors
Pasco Utilities, Inc.
Tampa, Florida

We have compiled the comparative Balance Sheet as of December 31, 2006 and 2007 of Pasco Utilities, Inc. and the related detail schedules and the Statement of Income and related detail schedules for the year ended December 31, 2007, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. S. Baillie, Jr.', written over a horizontal line.

J. S. Baillie, Jr.
Certified Public Accountant

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts for Water and Wastewater Utilities as adopted by Rule 25-30.115 (1), Florida Administrative Code.
2. Interpret all accounting words and phrases in accordance with the Uniform System of Accounts (USOA). Commission Rules and the definitions on next page.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar.
7. Complete this report by means which result in a permanent record. You may use permanent ink or a typewriter. Do not use a pencil.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule in the report. Additional pages should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statements should be made at the bottom of the page or on an additional page. Any additional pages should state the name of the utility and the year of the report, and reference the appropriate schedule.
10. The utility shall file the original and two copies of the report with the Commission at the address below, and keep a copy for itself. Pursuant to Rule 25-30.110 (3), Florida Administrative Code, the utility must submit the report by March 31 for the preceeding year ending December 31.

Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

11. Pursuant to Rule 25-30.110 (7) (a), Florida Administrative Code, any utility that fails to file its annual report or extension on or before March 31, or within the time specified by any extension approved in writing by the Division of Economic Regulation, shall be subject to a penalty. The penalty shall be based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. The date of filing shall be included in the days elapsed.

GENERAL DEFINITIONS

ADVANCES FOR CONSTRUCTION - This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part. (USOA)

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - This account shall include concurrent credits for allowance for funds used during construction based upon the net cost of funds used for construction purposes and a reasonable rate upon other funds when so used. Appropriate regulatory approval shall be obtained for "a reasonable rate". (USOA)

AMORTIZATION - The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. (USOA)

CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - Any amount or item of money, services, or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment used to provide utility services to the public. (Section 367.021 (3), Florida Statutes)

CONSTRUCTION WORK IN PROGRESS (CWIP) - This account shall include the cost of water or wastewater plant in process of construction, but not yet ready for services. (USOA)

DEPRECIATION - The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in the current operation and against which the utility is not protected by insurance. (Rule 25-30.140 (i), Florida Administrative Code)

EFFLUENT REUSE - The use of wastewater after the treatment process, generally for reuse as irrigation water or for in plant use. (Section 367.021 (6), Florida Statutes)

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WATER) - (Rule 25-30.515 (8), Florida Administrative Code.)

- (a) 350 gallons per day;
- (b) The number of gallons a utility demonstrates in the average daily flow for a single family unit; or
- (c) The number of gallons which has been approved by the DEP for a single family residential unit.

EQUIVALENT RESIDENTIAL CONNECTION (ERC) - (WASTEWATER) - Industry standard of 80% of Water ERC or 280 gallons per day for residential use.

GUARANTEED REVENUE CHARGE - A charge designed to cover the utility's costs including, but not limited to the cost of the operation, maintenance, depreciation, and any taxes, and to provide a reasonable return to the utility for facilities, a portion of which may not be used and useful to the utility or its existing customers. (Rule 25-30.515 (9), Florida Administrative Code)

LONG TERM DEBT - All Notes, Conditional Sales Contracts, or other evidences of indebtedness payable more than one year from date of issue. (USOA)

PROPRIETARY CAPITAL (For proprietorships and partnerships only) - The investment of a sole proprietor, or partners, in an unincorporated utility. (USOA)

RETAINED EARNINGS - This account reflects corporate earnings retained in the business. Credits would include net income or accounting adjustments associated with correction of errors attributable to a prior period. Charges to this account would include net losses, accounting adjustments associated with correction of errors attributable to a prior period or dividends. (USOA)

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FINANCIAL SECTION

REPORT OF

PASCO UTILITIES, INC.
 C/O (EXACT NAME OF UTILITY)
 P.O. BOX 398
 NEW PORT RICHEY, FL 34656-0398 Mailing Address | 2700 N MACDILL AVE #115 33607 Street Address | HILLSBOROUGH County

Telephone Number 813-877-8330 Date Utility First Organized 7/21/1967

Fax Number 813-879-3589 E-mail Address MCDILL COLUMBUS@AOL.COM

Sunshine State One-Call of Florida, Inc. Member No. PU-1289

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

- Individual Sub Chapter S Corporation 1120 Corporation Partnership

Name, Address and phone where records are located: PASCO UTILITIES, INC.
727-848-8292

Name of subdivisions where services are provided: ANGUS VALLEY, PASCO COUNTY, FLORIDA

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: <u>GARY DEREMER</u>	<u>MANAGER</u>	<u>SAME</u>	
Person who prepared this report: <u>J. S. BAILLIE, JR., CPA</u>	<u>(SEE ACCOUNTANT'S COMPILATION REPORT)</u>		
Officers and Managers: <u>LIONEL LLANES</u> <u>MAYNARD FERNANDEZ</u>	<u>COMPTROLLER</u> <u>PRESIDENT</u>	<u>2700 N MACDILL AVE</u> <u>2700 N MACDILL AVE</u>	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
<u>MAYNARD FERNANDEZ</u>	<u>100%</u>	<u>2700 N MACDILL AVE</u>	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential _____		\$ 138,301	\$ N/A	\$ -	\$ 138,301
Commercial _____		-			-
Industrial _____					
Multiple Family _____					
Guaranteed Revenues _____					
Other (Specify) _____		3,824			3,824
Total Gross Revenue _____		\$ 142,125	N/A	-	142,125
Operation Expense (Must tie to pages W-3 and S-3)					
Operation Expense _____	W-3 S-3	\$ 132,710	\$	\$	\$ 132,710
Depreciation Expense _____	F-5	16,866			16,866
CIAC Amortization Expense _____	F-8	(13,928)			(13,928)
Taxes Other Than Income _____	F-7	10,333			10,333
Income Taxes _____	F-7				
Total Operating Expense _____		\$ 145,981	N/A	-	\$ 145,981
Net Operating Income (Loss) _____		\$ (3,856)	\$ N/A	\$ -	\$ (3,856)
Other Income:					
Nonutility Income _____		\$ -	\$ N/A	\$ 38,521	\$ 38,521

Other Deductions:					
Miscellaneous Nonutility Expenses _____		\$	\$	\$	\$
Interest Expense _____		20,427			20,427

Net Income (Loss) _____		\$ (24,283)	\$ N/A	\$ 38,521	\$ 14,238

AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)

UTILITY NAME PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ 491,038	\$ N/A	\$ N/A	\$ 491,038
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 491,038	\$ N/A	\$ N/A	\$ 491,038

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

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ 387,259	\$ N/A	\$ N/A	\$ 387,259
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 16,866	\$ _____	\$ _____	\$ 16,866
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits _____	\$ 16,866	\$ N/A	\$ N/A	\$ 16,866
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
PSC staff adjustments* _____	59,192	_____	_____	59,192
Total Debits _____	\$ 59,192	\$ N/A	\$ N/A	\$ 59,192
Balance End of Year _____	\$ 344,933	\$ N/A	\$ N/A	\$ 344,933

*To reflect Order No. PSC-07-0425-PAA-WU, please refer to schedule attached to page W-2 for details.

AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1	N/A
Shares authorized _____	5000	_____
Shares issued and outstanding _____	1200	_____
Total par value of stock issued _____	1200	_____
Dividends declared per share for year _____	0	_____

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ _____	\$ (585,628)
Changes during the year (Specify):		
Net Income for the Year _____	_____	14,238
Adjustment to reflect Order No. PSC-07-0425-PAA-WU and related effects of of that Order * _____	_____	(57,258)
Balance end of year _____	\$ _____	\$ (628,648)

PROPRIETARY CAPITAL (218)

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

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total _____	N/A	_____	\$ _____

*See attached schedule.

PASCO UTILITIES, INC.
ADJUSTMENT TO RETAINED EARNINGS
12/31/07

		TOTAL
ADJUSTMENTS TO RECONCILE TO PSC BALANCES		
1.) TO ADJUST PLANT PER AF-2 & AF-7 PER DRAFT REPORT	72,962.00	
2.) TO ADJUST PLANT PER AF-3 PER DRAFT REPORT	16,000.00	
3.) TO REALLOCATE BALANCES PER FINAL ORDER	1.00	
4.) TO ADJUST DEPRECIATION PER AF-4 AS REVISED BY FINAL ORDER	(50,682.00)	
5.) TO ADJUST CIAC PER AF-5 AS REVISED BY FINAL ORDER	22,672.00	
TOTAL		60,953.00
ADJUSTMENTS TO REFLECT EFFECTS OF ABOVE ENTRIES ON INTERIM PERIOD		
1.) DEPRECIATION RECORDED IN 2006	(8,510.00)	
2.) AMORTIZATION OF CIAC RECORDED IN 2006	4,815.00	
TOTAL		(3,695.00)
TOTAL ADJUSTMENT TO REFLECT ORDER NO. PSC-07-0425-PAA-WU		57,258.00

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax_____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax_____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax_____	_____	_____	_____	_____
Local property tax_____	3,937	_____	_____	3,937
Regulatory assessment fee_____	6,396	_____	_____	6,396
Other (Specify)_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Tax Expense_____	\$ 10,333	\$ N/A	\$ N/A	\$ 10,333

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

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

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
<u>MCDILL COLUMBUS CORP</u>	\$ 7,200	\$ N/A	<u>Office rent, utilities, clerical</u>
<u>US WATER</u>	\$ 59,472	\$ N/A	<u>Professional services</u>
<u>MAYNARD FERNANDEZ</u>	\$ 30,000	\$ N/A	<u>Executive management, accounting</u>
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

**AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)**

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 404,497	\$ N/A	\$ 404,497
2) Add credits during year _____			
3) Total _____	\$ 2,000 406,497		\$ 2,000 406,497
4) Deduct charges during the year _____			
5) Balance end of year _____	406,497		406,497
6) Less Accumulated Amortization _____	270,222		270,222
7) Net CIAC _____	\$ 136,275	\$ N/A	\$ 136,275

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

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____	N/A
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Sub-total _____			\$ _____	\$ N/A
Report below all capacity charges, main extension charges and customer connection charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
_____	16	\$ 125	\$ 2,000	\$ N/A
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____			\$ 2,000	\$ N/A

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 283,781	\$ N/A	\$ 283,781
Add Debits During Year: _____	13,928		13,928
Deduct Credits During Year: ___ *	27,487		27,487
Balance End of Year (Must agree with line #6 above.)	\$ 270,222	\$ N/A	\$ 270,222

*Adjustment to reflect Order No. PSC-07-0425-PAA-WU, please refer to attached schedule.

**PASCO UTILITIES, INC.
ACCUMULATED AMORTIZATION OF CIAC
12/31/2007**

	TOTAL
BALANCE PER GENERAL LEDGER 12/31/07	270,222.00
ADJUSTMENTS TO RECONCILE TO PSC BALANCE	
PRO FORMA ADJUSTMENTS FOR RATE PURPOSES ONLY	
PRO FORMA ADDITIONS	-
PRO FORMA RETIREMENTS	-
AVERAGING ADJUSTMENT	(6,085.00)
TOTAL	(6,085.00)
CIAC AMORTIZATION AFTER 6/30/06 NOT IN PSC BALANCE	
7/01/06 - 12/31/06	(7,402.00)
1/01/07 - 12/31/07	(13,928.00)
TOTAL	(21,330.00)
BALANCE PER ORDER NO. PSC-07-0425-944-WU (DOCKET NO.060599-WU)	242,807.00

PASCO UTILITIES, INC.
CIAC
12/31/2007

	TOTAL
BALANCE PER GENERAL LEDGER 12/31/07	(406,497.00)
ADJUSTMENTS TO RECONCILE TO PSC BALANCE	
PRO FORMA ADJUSTMENTS FOR RATE PURPOSES ONLY	
PRO FORMA ADDITIONS	-
PRO FORMA RETIREMENTS	-
AVERAGING ADJUSTMENT	1,013.00
TOTAL	1,013.00
PLANT ADDITIONS AND RETIREMENTS AFTER 6/30/06 NOT IN PSC BALANCE	
ADDITIONS	2,000.00
RETIREMENTS	-
TOTAL	2,000.00
ROUNDING	(1.00)
BALANCE PER ORDER NO. PSC-07-0425-944-WU (DOCKET NO.060599-WU)	(403,485.00)

PASCO UTILITIES, INC.
 CIAC
 12/31/2007

AS RESTATED BY PSC ADJUSTMENTS

	271 CIAC REPORTED	271 CIAC PLANT	TOTAL	271.01 ACCUM AMORTIZATION	NET
BALANCE 12/31/06	134,325.00	270,172.00	404,497.00	(283,781.00)	120,716.00
PSC ADJUSTMENTS	-	-	-	22,672.00	22,672.00
ADJUSTMENTS DUE TO PSC ADJUSTMENTS				4,815.00	4,815.00
ADJUSTED BALANCE 12/31/06	134,325.00	270,172.00	404,497.00	(256,294.00)	148,203.00
ADDED					
5/31		375.00	375.00		375.00
6/30		250.00	250.00		250.00
7/31		250.00	250.00		250.00
9/30		375.00	375.00		375.00
11/30		750.00	750.00		750.00
AMORTIZATION				(13,928.00)	(13,928.00)
BALANCE 12/31/07	134,325.00	272,172.00	406,497.00	(270,222.00)	136,275.00

AMORTIZATION OF CIAC

DEPRECIATION EXPENSE 12/31/07 (AS RECOMPUTED)	16,866.00
PLANT BALANCE 12/31/07 (AS RESTATED)	491,038.00

DEPRECIATION AS AN APPLIED RATE	3.43%
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CIAC BALANCE 12/31/06	404,497.00	13,893.52
CIAC ADDITIONS 12/31/07	2,000.00	34.35

AMORTIZATION OF CIAC 12/31/07	13,927.87
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PASCO UTILITIES, INC.
 CIAC
 12/31/2006

AS RESTATED BY PSC ADJUSTMENTS

	271 CIAC REPORTED	271 CIAC PLANT	TOTAL	271.01 ACCUM AMORTIZATION	NET
BALANCE 12/31/05	134,325.00	267,247.00	401,572.00	(271,564.00)	130,008.00
ADDED AMORTIZATION		2,925.00	2,925.00	(12,217.00)	2,925.00 (12,217.00)
BALANCE 12/31/06	134,325.00	270,172.00	404,497.00	(283,781.00)	120,716.00
ADJUST 6/30/06 PER FINAL ORDER RECORD AMORTIZATION 7/01/06 - 12/31/06				22,672.00 (7,402.00)	
REVERSE 2006 AMORTIZATION RECORDED PREVIOUSLY				12,217.00	
RESTATED BALANCE 12/31/06	134,325.00	270,172.00	404,497.00	(256,294.00)	120,716.00

AMORTIZATION OF CIAC

DEPRECIATION EXPENSE 7/01/06 - 12/31/06	8,857.00
PLANT BALANCE 12/31/06	483,969.00
DEPRECIATION AS AN APPLIED RATE	1.83%
CIAC BALANCE 06/30/06	404,497.00
CIAC ADDITIONS 12/31/06	-
AMORTIZATION OF CIAC 07/01/06 - 12/31/06	7,402.60

UTILITY NAME PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

N/A
SCHEDULE "A"

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

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

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

APPROVED AFUDC RATE

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

WATER
OPERATING
SECTION

AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (Retirements) (d)	** PSC Staff Adjustments (e)	Current Year (f)
301	Organization	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises	_____	_____	_____	_____
303	Land and Land Rights	1,300	(600)	2,000	2,700
304	Structures and Improvements	7,635	_____	(3,853)	3,782
305	Collecting and Impounding Reservoirs	_____	_____	_____	_____
306	Lake, River and Other Intakes	_____	_____	_____	_____
307	Wells and Springs	9,450	_____	(4,004)	5,446
308	Infiltration Galleries and Tunnels	_____	_____	_____	_____
309	Supply Mains	_____	_____	_____	_____
310	Power Generation Equipment	_____	_____	_____	-
311	Pumping Equipment	* 42,454	139	(24,050)	18,543
320	Water Treatment Equipment	* 3,473	_____	20,955	24,428
330	Distribution Reservoirs and Standpipes	23,171	_____	(6,274)	16,897
331	Transmission and Distribution Lines	323,460	_____	10,918	334,378
333	Services	_____	_____	_____	_____
334	Meters and Meter Installations	141,299	7,530	(65,635)	83,194
335	Hydrants	_____	_____	_____	-
336	Backflow Prevention Devices	_____	_____	_____	-
339	Other Plant and Miscellaneous Equipment	490	_____	(490)	-
340	Office Furniture and Equipment	20,200	_____	(18,530)	1,670
341	Transportation Equipment	_____	_____	_____	-
342	Stores Equipment	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment	_____	_____	_____	_____
344	Laboratory Equipment	_____	_____	_____	_____
345	Power Operated Equipment	_____	_____	_____	_____
346	Communication Equipment	_____	_____	_____	_____
347	Miscellaneous Equipment	_____	_____	_____	_____
348	Other Tangible Plant	_____	_____	_____	_____
	Total Water Plant	\$ 572,932	7,069	(88,963)	491,038

* The 2006 Report listed these amounts on the improper lines.

** To reflect Order No. PSC-07-0425-PAA-WU, please refer to attached schedule for details.

**PASCO UTILITIES, INC.
UTILITY PLANT
12/31/2007**

	TOTAL
BALANCE PER GENERAL LEDGER 12/31/07	491,038.27
ADJUSTMENTS TO RECONCILE TO PSC BALANCE	
PRO FORMA ADJUSTMENTS FOR RATE PURPOSES ONLY	
PRO FORMA ADDITIONS	80,753.00
PRO FORMA RETIREMENTS	(12,565.00)
AVERAGING ADJUSTMENT	(3,842.00)
TOTAL	64,346.00
PLANT ADDITIONS AND RETIREMENTS AFTER 6/30/06 NOT IN PSC BALANCE	
ADDITIONS	(7,669.27)
RETIREMENTS	600.00
TOTAL	(7,069.27)
LAND ACCOUNTED FOR SEPARATELY IN PSC ORDER	(3,300.00)
ROUNDING AMOUNTS	2.00
BALANCE PER ORDER NO. PSC-07-0425-944-WU (DOCKET NO.060599-WU)	545,017.00

PASCO UTILITIES, INC.
UTILITY PLANT
12/31/2006

AS RESTATED BY PSC ADJUSTMENTS

	12/31/2006 BALANCE	PSC ADJ AF 4 & 7	PSC ADJ AF 3	ADJ 12/31/2006 BALANCE	ALLOCATE FINAL ORD PLANT	FINAL ORD 12/31/2006 BALANCE	REPORT 12/31/2006 BALANCE	COMPUTED ADJ 12/31/2006
303 LAND	1,300.00		2,000.00	3,300.00		3,300.00	1,300.00	2,000.00
304 STRUCTURES	7,635.00	(3,853.00)		3,782.00		3,782.00	7,635.00	(3,853.00)
307 WELLS	9,450.00	(4,004.00)		5,446.00		5,446.00	9,450.00	(4,004.00)
309 SUPPLY MAINS	-			-		-	-	-
310 POWER GENERATION	-			-		-	-	-
311 PUMPING	42,454.00	(7,565.00)		34,889.00	(16,485.00)	18,404.00	42,454.00	(24,050.00)
320 TREATMENT	3,473.00			3,473.00	20,955.00	24,428.00	3,473.00	20,955.00
330 DISTRIBUTION	23,171.00	(2,293.00)		20,878.00	(3,981.00)	16,897.00	23,171.00	(6,274.00)
331 TRANSMISSION	323,460.00	15,716.00		339,176.00	(4,798.00)	334,378.00	323,460.00	10,918.00
334 METERS	141,299.00	(70,433.00)		70,866.00	4,798.00	75,664.00	141,299.00	(65,635.00)
335 HYDRANTS	-			-		-	-	-
336 BACKFLOW	-			-		-	-	-
339 MISCELLANEOUS EQUIPMENT	490.00			490.00	(490.00)	-	490.00	(490.00)
340 OFFICE EQUIPMENT	20,200.00	(530.00)	(18,000.00)	1,670.00		1,670.00	20,200.00	(18,530.00)
346 COMMUNICATION EQUIPMENT	-			-		-	-	-
348 OTHER TANGIBLE WATER PLANT	-			-		-	-	-
BALANCE	572,932.00	(72,962.00)	(16,000.00)	483,970.00	(1.00)	483,969.00	572,932.00	(88,963.00)

AS CORRECTED
(TO REFLECT ORDER NO. PSC-07-0425-PAA-WU DOCKET NO. 060599-WU)

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2007

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	* Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	* PSC Staff Adjustments (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements_25	%	4.00 %	\$ 4,167	\$ (385)	\$ -	\$ 3,782
305	Collecting and Impounding Reservoirs_		%					
306	Lake, River and Other Intakes_		%					
307	Wells and Springs_	27	%	3.70 %	7,633	(2,187)	-	5,446
308	Infiltration Galleries & Tunnels_		%					
309	Supply Mains_		%					
310	Power Generating Equipment_		%					
311	Pumping Equipment_	15	%	6.67 %	21,781	(3,377)	5	18,409
320	Water Treatment Equipment_	17	%	5.88 %	3,473	11,587	1,436	16,496
330	Distribution Reservoirs & Standpipes_	33	%	3.03 %	14,683	(8,922)	512	6,273
331	Trans. & Dist. Mains_	33	%	3.03 %	231,092	(17,193)	10,132	224,031
333	Services_		%					
334	Meter & Meter Installations_	17	%	5.88 %	83,740	(18,137)	4,670	70,273
335	Hydrants_		%					
336	Backflow Prevention Devices_		%					
339	Other Plant and Miscellaneous Equipment_	20	%	5.00 %	490	(490)	-	-
340	Office Furniture and Equipment_	15	%	6.67 %	20,200	(20,088)	111	223
341	Transportation Equipment_		%					
342	Stores Equipment_		%					
343	Tools, Shop and Garage Equipment_		%					
344	Laboratory Equipment_		%					
345	Power Operated Equipment_		%					
346	Communication Equipment_		%					
347	Miscellaneous Equipment_		%					
348	Other Tangible Plant_		%					
	Totals_				\$ 387,259	(59,192)	16,866	344,933

*To reflect Order No. PSC-07-0425-PAA-WU. Please refer to attached schedule for details. Depreciation rates changed to reflect rates per PSC Staff.

PASCO UTILITIES, INC.
ACCUMULATED DEPRECIATION - PLANT
12/31/2007

	TOTAL
BALANCE PER GENERAL LEDGER 12/31/07	(344,933.00)
ADJUSTMENTS TO RECONCILE TO PSC BALANCE	
PRO FORMA ADJUSTMENTS FOR RATE PURPOSES ONLY	
PRO FORMA ADDITIONS	(2,122.00)
PRO FORMA RETIREMENTS	12,565.00
AVERAGING ADJUSTMENT	4,096.00
TOTAL	14,539.00
DEPRECIATION AFTER 6/30/06 NOT IN PSC BALANCE	
7/01/06 - 12/31/06	8,857.00
1/01/07 - 12/31/07	16,866.00
TOTAL	25,723.00
ROUNDING	(1.00)
BALANCE PER ORDER NO. PSC-07-0425-944-WU (DOCKET NO.060599-WU)	(304,672.00)

PASCO UTILITIES, INC.
 ACCUMULATED DEPRECIATION
 12/31/2006

AS RESTATED BY PSC ADJUSTMENTS

	UTILITY 12/31/2005		PSC ADJ PRELIM		PSC ADJ 12/31/2005		PSC ADJ 01/01-6/30		PSC ADJ 01/01-6/30		PSC ADJ 6/30/2006		ADJUST TO FINAL		PSC ADJ FINAL ORD		COMPUTED 7/1-12/31		COMPUTED 12/31/2006		COMPUTED ADJ		
	BALANCE	ORDER	ORDER	DEPREC	BALANCE	RET	DEPREC	BALANCE	BALANCE	DEPREC	BALANCE	ORDER	BALANCE	BALANCE	DEPREC	BALANCE	BALANCE	DEPREC	BALANCE	BALANCE	ADJ	12/31/2006	
303 LAND																							
304 STRUCTURES	4,013.00	270.00	270.00	76.00	4,283.00	-	76.00	4,359.00	(577.00)	3,782.00		4,359.00				3,782.00				4,167.00		(385.00)	
307 WELLS	7,311.00	(2,059.00)	(2,059.00)	101.00	5,252.00	-	101.00	5,353.00	93.00	5,446.00		5,353.00				5,446.00				7,633.00		(2,187.00)	
308 SUPPLY MAINS																							
310 POWER GENERATION																							
311 PUMPING	20,014.00	(4,610.00)	(4,610.00)	-	15,404.00	-	-	15,404.00	3,000.00	18,404.00		15,404.00				18,404.00				21,781.00		(3,377.00)	
320 TREATMENT	3,473.00	7,530.00	7,530.00	1,350.00	11,003.00	-	1,350.00	12,353.00	1,357.00	13,710.00		12,353.00				13,710.00				3,473.00		11,587.00	
330 DISTRIBUTION	13,856.00	(4,999.00)	(4,999.00)	316.00	8,857.00	-	316.00	9,173.00	(3,728.00)	5,445.00		9,173.00				5,445.00				14,683.00		(8,922.00)	
331 TRANSMISSION	221,290.00	12,468.00	12,468.00	5,139.00	233,758.00	-	5,139.00	238,897.00	(30,137.00)	208,760.00		238,897.00				208,760.00				231,092.00		(17,193.00)	
334 METERS	79,245.00	(18,804.00)	(18,804.00)	1,996.00	60,441.00	(7,057.00)	1,996.00	55,380.00	8,227.00	63,607.00		55,380.00				63,607.00				83,740.00		(18,137.00)	
335 HYDRANTS																							
336 BACKFLOW																							
339 MISCELLANEOUS EQUIPMENT	480.00				480.00	-		480.00	(490.00)			480.00								480.00		(490.00)	
340 OFFICE EQUIPMENT	20,200.00	(20,200.00)	(20,200.00)	56.00		-	56.00	56.00				56.00								20,200.00		(20,088.00)	
346 COMMUNICATIONS EQUIPMENT																							
348 OTHER TANGIBLE WATER PLANT																							
BALANCE	369,892.00	(30,404.00)	(30,404.00)	9,034.00	339,488.00	(7,057.00)	9,034.00	341,465.00	(22,255.00)	319,210.00		341,465.00				319,210.00				387,259.00		(59,192.00)	
PSC REPORT	369,892.00				369,892.00			378,575.00				378,575.00								387,259.00			
NET ADJUSTMENT					(30,404.00)	(7,057.00)	361.00			(37,110.00)						319,210.00						(59,192.00)	

SUMMARY OF ADJUSTMENT TO 12/31/06 BALANCES SHOWN ON 12/31/07 REPORT

PRELIMINARY ADJUSTMENTS PER AF-4 (DRAFT)

ADJUST BALANCES AT 12/31/05	(30,404.00)
RETIREMENTS 6/30/06	(7,057.00)
DEPRECIATION EXPENSE 1/01-6/30/06	9,034.00
TOTAL	(28,427.00)

ADDITIONAL ADJUSTMENT TO REFLECT # 060599-WU	(22,255.00)
NET ADJUSTMENT PER FINAL ORDER DOC. NO. 060599-WU	(50,682.00)
DEPRECIATION EXPENSE 7/01-12/31/06 (AS RECOMPUTED)	8,857.00
REVERSE DEPRECIATION PER PSC REPORT W-2 12/31/06	(17,367.00)
NET ADJUSTMENT 12/31/06	(59,192.00)

PUAD06A

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees_____	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
604	Employee Pensions and Benefits_____	_____
610	Purchased Water_____	_____
615	Purchased Power_____	6,838
616	Fuel for Power Production_____	_____
618	Chemicals_____	4,764
620	Materials and Supplies_____	_____
630	Contractual Services:	
	Billing_____	_____
	Professional_____	108,040
	Testing_____	_____
	Other_____	6,911
640	Rents_____	_____
650	Transportation Expense_____	1,252
655	Insurance Expense_____	_____
665	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
670	Bad Debt Expense_____	134
675	Miscellaneous Expenses_____	4,771
	Total Water Operation And Maintenance Expense_____	\$ <u>132,710</u> *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	678	694	694
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
General Service					
5/8"	D	1.0	_____	_____	_____
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
2"	D,C,T	8.0	_____	_____	_____
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
** D = Displacement C = Compound T = Turbine			Total	<u>678</u>	<u>694</u>
				<u>694</u>	<u>694</u>

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

SYSTEM NAME: _____

PUMPING AND PURCHASED WATER STATISTICS

(a)	(b)	(c)	(d)	(e)	(f)
	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
January	0	4,044	40	4,004	3,592
February	0	3,750	38	3,712	3,282
March	0	4,561	46	4,515	4,254
April	0	4,856	49	4,807	5,114
May	0	5,780	58	5,722	4,587
June	0	5,141	51	5,090	5,816
July	0	4,699	47	4,652	4,069
August	0	4,510	45	4,465	4,198
September	0	4,345	43	4,302	4,313
October	0	4,366	44	4,322	4,285
November	0	4,130	41	4,089	4,801
December	0	3,947	39	3,908	4,101
Total for Year	0	54,129	541	53,588	52,412

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	4"	77,200			77,200

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

SYSTEM NAME: _____

WELLS AND WELL PUMPS

WELL #1 (a)	WELL #2 (b)	WELL #3 (c)	WELL #4 (d)	WELL #5 (e)
Year Constructed _____ Types of Well Construction and Casing _____ _____ Depth of Wells _____ Diameters of Wells _____ Pump - GPM _____ Motor - HP _____ Motor Type * _____ Yields in GPD _____ Auxiliary Power _____	_____	_____	_____	_____

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description _____ Capacity of Tank _____ Ground or Elevated _____	_____	_____	_____	_____

HIGH SERVICE PUMPING NONE

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

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 2007

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day_ _ _	_____	_____	_____
Type of Source_ _ _ _ _	_____	_____	_____
	STANDBY PASCO COUNTY		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type_ _ _ _ _	_____	_____	_____
Make_ _ _ _ _	_____	_____	_____
Permitted Capacity (GPD)_ _	_____	_____	_____
High service pumping	_____	_____	_____
Gallons per minute	_____	_____	_____
Reverse Osmosis_ _ _ _ _	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating_ _ _ _ _	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft._ _ _ _ _	_____	_____	_____
Gravity GPD/Sq.Ft._ _ _ _	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator_ _ _ _ _	_____	_____	_____
Ozone_ _ _ _ _	_____	_____	_____
Other_ _ _ _ _	_____	_____	_____
Auxiliary Power_ _ _ _ _	_____	_____	_____

UTILITY NAME: RASCO UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2007

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

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

1. Present ERC's * the system can efficiently serve. _____
2. Maximum number of ERCs * which can be served. _____
3. Present system connection capacity (in ERCs *) using existing lines. _____
4. Future connection capacity (in ERCs *) upon service area buildout. _____
5. Estimated annual increase in ERCs *. _____
6. Is the utility required to have fire flow capacity? _____
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities.
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.

9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # _____
12. Water Management District Consumptive Use Permit # _____
 - a. Is the system in compliance with the requirements of the CUP? _____
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of SFR customers for the same period and divide the result by 365 days.
(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000)/365 days/350 gallons per day).

WASTEWATER OPERATING SECTION

N/A
WATER UTILITY ONLY

UTILITY NAME: PASCO UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 2007


CERTIFICATION OF ANNUAL REPORT

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

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

Items Certified

1. 2. 3. 4.



(signature of chief executive officer of the utility) *

Date: 4-30-08

1. 2. 3. 4.



(signature of chief financial officer of the utility) *

Date: 4-30-08

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

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

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

Company: PASCO UTILITIES, INC.

For the Year Ended December 31, 2007

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 138,301	\$ 138,301	\$ _____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	3,824	3,824	_____
Total Water Operating Revenue	\$ 142,125	\$ 142,125	\$ _____
LESS: Expense for Purchased Water from FPSC-Regulated Utility	0	0	_____
Net Water Operating Revenues	\$ 142,125	\$ 142,125	\$ _____

Explanations:

Instructions:

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