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WATER AND/OR WASTEWATER UTILITIES

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

ANNUAL REPORT

WU383-06-AR
Neighborhood Utilities, Inc.
300 West Adams Street, Suite 540
Jacksonville, FL 32202-4343

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL

SECTION

UTILITY NAME Neighborhood Utilities, Inc.

YEAR OF REPORT
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INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 84,519	\$ _____	\$ _____	\$ 84,519
Commercial -----		1,084	_____	_____	1,084
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) -----		1,159	_____	_____	1,159
Total Gross Revenue -----		\$ 86,762	\$ _____	\$ _____	\$ 86,762
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 122,043	\$ _____	\$ _____	\$ 122,043
Depreciation Expense -----	F-5	17,369	_____	_____	17,369
CIAC Amortization Expense -----	F-8	-31,356	_____	_____	-31,356
Taxes Other Than Income -----	F-7	9,121	_____	_____	9,121
Income Taxes -----	F-7	_____	_____	_____	_____
Total Operating Expense -----		\$ 117,177	_____	_____	\$ 117,177
Net Operating Income (Loss) -----		\$ -30,415	\$ _____	\$ _____	\$ -30,415
Other Income:					
Nonutility Income -----		\$ 10,524	\$ _____	\$ _____	\$ 10,524
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		6,696	_____	_____	6,696
-----		_____	_____	_____	_____
-----		_____	_____	_____	_____
Net Income (Loss) -----		\$ -26,587	\$ _____	\$ _____	\$ -26,587

UTILITY NAME: Neighborhood Utilities, Inc.

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COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) _____	F-5,W-1,S-1	\$ <u>616,944</u>	\$ <u>615,264</u>
Accumulated Depreciation and Amortization (108) _____	F-5,W-2,S-2	<u>-346,394</u>	<u>-329,025</u>
Net Utility Plant _____		\$ <u>270,550</u>	\$ <u>286,239</u>
Cash _____		<u>1,142</u>	<u>4,245</u>
Customer Accounts Receivable (141) _____		<u>560</u>	<u>560</u>
Other Assets (Specify): _____		<u> </u>	<u> </u>
_____		<u> </u>	<u> </u>
_____		<u> </u>	<u> </u>
Total Assets _____		\$ <u><u>272,252</u></u>	\$ <u><u>291,044</u></u>
Liabilities and Capital:			
Common Stock Issued (201) _____	F-6	<u>200</u>	<u>200</u>
Preferred Stock Issued (204) _____	F-6	<u> </u>	<u> </u>
Other Paid in Capital (211) _____		<u>21,300</u>	<u>19,800</u>
Retained Earnings (215) _____	F-6	<u>-431,248</u>	<u>-404,661</u>
Proprietary Capital (Proprietary and Partnership only) (218) _____	F-6	<u> </u>	<u> </u>
Total Capital _____		\$ <u><u>-409,748</u></u>	\$ <u><u>-384,661</u></u>
Long Term Debt (224) _____	F-6	\$ <u> </u>	\$ <u> </u>
Accounts Payable (231) _____		<u>84,016</u>	<u>45,490</u>
Notes Payable (232) _____		<u>108,384</u>	<u>105,854</u>
Customer Deposits (235) _____		<u>10,501</u>	<u>12,919</u>
Accrued Taxes (236) _____		<u>90,838</u>	<u>96,918</u>
Other Liabilities (Specify) _____		<u>3,790</u>	<u>7,117</u>
_____		<u> </u>	<u> </u>
_____		<u> </u>	<u> </u>
Advances for Construction _____		<u> </u>	<u> </u>
Contributions in Aid of Construction - Net (271-272) _____	F-8	<u>384,471</u>	<u>407,407</u>
Total Liabilities and Capital _____		\$ <u><u>272,252</u></u>	\$ <u><u>291,044</u></u>

UTILITY NAME Neighborhood Utilities, Inc.

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GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>616,944</u>	\$ _____	\$ _____	\$ <u>616,944</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>616,944</u>	\$ _____	\$ _____	\$ <u>616,944</u>

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

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ <u>329,025</u>	\$ _____	\$ _____	\$ <u>329,025</u>
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	\$ <u>17,369</u>	\$ _____	\$ _____	\$ <u>17,369</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Total Credits _____	\$ <u>17,369</u>	\$ _____	\$ _____	\$ <u>17,369</u>
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>346,394</u>	\$ _____	\$ _____	\$ <u>346,394</u>

UTILITY NAME: Neighborhood Utilities, Inc.

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CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	_____	_____
Shares authorized _____	_____	_____
Shares issued and outstanding _____	_____	_____
Total par value of stock issued _____	_____	_____
Dividends declared per share for year _____	_____	_____

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ -404,661
Changes during the year (Specify): _____ _____ _____	_____ _____ _____	-26587 _____ _____
Balance end of year _____	\$ _____	\$ -431,248

PROPRIETARY CAPITAL (218)

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

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 _____			\$ _____

UTILITY NAME: Neighborhood Utilities, Inc.

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TAX EXPENSE

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ 0	\$ _____	\$ _____	\$ 0
State income Tax _____	0	_____	_____	0
Taxes Other Than Income:				
State ad valorem tax _____	0	_____	_____	0
Local property tax _____	4,429	_____	_____	4,429
Regulatory assessment fee _____	3,904	_____	_____	3,904
Other (Specify) _____	788	_____	_____	788
_____	_____	_____	_____	_____
Total Tax Expense _____	\$ 9,121	\$ _____	\$ _____	\$ 9,121

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
Judith W. Stone	\$ 4,356	\$ _____	Office Mgmt/Billing
U.S. Water Services Corporation	\$ 72,920	\$ _____	Plant Operation Services
W. Larry O'Steen	\$ 3,960	\$ _____	Generator Lease
W. Larry O'Steen	\$ 18,000	\$ _____	Management Fees
C.R. Wintz, CPA	\$ 915	\$ _____	Accounting Fees
J. Lucas & Associates	\$ 3,806	\$ _____	Engineering Fees
Thomas Sandlin	\$ 90	\$ _____	Tax Preparation
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Neighborhood Utilities, Inc.

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CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year _____	\$ 775,508	\$ _____	\$ 775,508
2) Add credits during year _____	\$ 8,400	\$ _____	\$ 8,400
3) Total _____	783,908	_____	783,908
4) Deduct charges during the year _____	_____	_____	_____
5) Balance end of year _____	783,908	_____	783,908
6) Less Accumulated Amortization _____	399,437	_____	399,437
7) Net CIAC _____	\$ 384,471	\$ _____	\$ 384,471

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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total _____		\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
Plant Capacity	16	\$ 420	\$ 6,720
Meter Install 1"	12	110	1,320
Meter Install 5/8"	4	90	360
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.) _____		\$ 8,400	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year _____	\$ 368,081	\$ _____	\$ 368,081
Add Debits During Year: _____	31,356	_____	31,356
Deduct Credits During Year: _____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.) _____	\$ 399,437	\$ _____	\$ 399,437

**WATER
OPERATING
SECTION**

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT DECEMBER 31, 2006

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	243	_____	_____	243
303	Land and Land Rights _____	1,000	_____	_____	1,000
304	Structures and Improvements _____	6,922	_____	_____	6,922
305	Collecting and Impounding Reservoirs _____	96,940	_____	_____	96,940
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	37,693	_____	_____	37,693
308	Infiltration Galleries and Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	_____	_____	_____	_____
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	54,498	_____	_____	54,498
320	Water Treatment Equipment _____	23,225	_____	_____	23,225
330	Distribution Reservoirs and Standpipes _____	_____	_____	_____	_____
331	Transmission and Distribution Lines _____	246,177	_____	_____	246,177
333	Services _____	60,564	_____	_____	60,564
334	Meters and Meter Installations _____	38,568	1,680	_____	40,248
335	Hydrants _____	35,513	_____	_____	35,513
336	Backflow Prevention Devices _____	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment _____	13,921	_____	_____	13,921
340	Office Furniture and Equipment _____	_____	_____	_____	_____
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 _____	\$ 615,264	\$ 1,680	\$ _____	\$ 616,944

UTILITY NAME: Neighborhood Utilities, Inc.

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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	3.54 %	\$ 5,737	\$	\$ 245	\$ 5,982
305	Collecting and Impounding Reservoirs	28	%	3.57 %	69,302		3,461	72,763
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	4.70 %	31,548		1,772	33,320
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	15	%	6.67 %	54,498			54,498
320	Water Treatment Equipment	17	%	5.88 %	23,225			23,225
330	Distribution Reservoirs & Standpipes		%					
331	Trans. & Dist. Mains	38	%	2.63 %	89,428		6,474	95,902
333	Services	28	%	2.63 %	9,372		2,162	11,534
334	Meter & Meter Installations	17	%	5.88 %	19,707		2,367	22,074
335	Hydrants	40	%	2.50 %	12,287		888	13,175
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment	15	%	6.70 %	13,921			13,921
340	Office Furniture and Equipment		%					
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				\$ 329,025	\$	\$ 17,369	\$ 346,394 *

* This amount should tie to Sheet F-5.

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	18000
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	6050
616	Fuel for Power Production	956
618	Chemicals	6026
620	Materials and Supplies	_____
630	Contractual Services:	_____
	Billing	4356
	Professional	5063
	Testing	5154
	Other	49346
640	Rents	8767
650	Transportation Expense	1287
655	Insurance Expense	4911
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
670	Bad Debt Expense	1464
675	Miscellaneous Expenses	10663
Total Water Operation And Maintenance Expense		\$ <u>122043</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	366	369	369
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	40	52	130
1 1/2"	D,T	5.0	2	1	5
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)	_____	_____	_____	_____	_____
Total			<u>476</u>	<u>422</u>	<u>504</u>

** D = Displacement
C = Compound
T = Turbine

UTILITY NAME: Neighborhood Utilities, Inc.

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SYSTEM NAME: Neighborhood Utilities, Inc.

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January		2782			
February		2446			
March		3206			6899
April		3470			
May		4136			
June		3397			10304
July		3680			
August		3566			
September		2841			10037
October		3015			
November		2875			
December		2882			8906
Total for Year		38296			36146

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:

Jacksonville Electric Authority
21 West Church Street
Jacksonville FL 32202

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Corrugated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	10"	280'			280'
PVC	8"	13,589'			13,589'
PVC	6"	2,818'			2,818'
PVC	4"	1,937'			1,937'
PVC	2"	3,165'			3,165'

UTILITY NAME: Neighborhood Utilities, Inc.

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SYSTEM NAME: Neighborhood Utilities, Inc.

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1982</u>	<u>1986</u>	_____	_____
Types of Well Construction and Casing _____	<u>Drilled/Casings</u>	<u>Drilled/Casings</u>	_____	_____
Depth of Wells _____	<u>600'</u>	<u>1,000'</u>	_____	_____
Diameters of Wells _____	<u>4 x 3</u>	<u>12 x 8</u>	_____	_____
Pump - GPM _____	<u>90</u>	<u>350</u>	_____	_____
Motor - HP _____	<u>5</u>	<u>10</u>	_____	_____
Motor Type * _____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD _____	<u>140,000</u>	<u>540,000</u>	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>Pneumatic</u>	<u>Pneumatic</u>	<u>Steel</u>	_____
Capacity of Tank _____	<u>2,000 gals</u>	<u>20,000 gals</u>	<u>40,000 gals</u>	_____
Ground or Elevated _____	<u>Ground</u>	<u>Ground</u>	<u>Ground</u>	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	<u>Peerless</u>	<u>Peerless</u>	<u>Peerless</u>	_____
Type _____	<u>3-Phase</u>	<u>3-Phase</u>	<u>3-Phase</u>	_____
Rated Horsepower _____	<u>15</u>	<u>15</u>	<u>15</u>	_____
Pumps				
Manufacturer _____	<u>Peerless</u>	<u>Peerless</u>	<u>Peerless</u>	_____
Type _____	<u>Searies C</u>	<u>Searies C</u>	<u>Searies C</u>	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	<u>60 Kw Gen</u>	<u>60 Kw Gen</u>	<u>60 Kw Gen</u>	_____

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SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	<u>140,000</u>	<u>540,000</u>	_____
Type of Source _____	<u>Well#1</u>	<u>Well#2</u>	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	<u>Steel Ground Storage w/Aerator</u>	<u>Steel Ground Storage w/Aerator</u>	_____
Make _____	<u>Custom Built</u>	<u>Custom Built</u>	_____
Permitted Capacity (GPD) _____	<u>130,000</u>	<u>130,000</u>	_____
High service pumping	<u>Flow Meter</u>	<u>Flow Meter</u>	_____
Gallons per minute _____	<u>100</u>	<u>100</u>	_____
Reverse Osmosis _____	_____	_____	_____
Lime Treatment	_____	_____	_____
Unit Rating _____	_____	_____	_____
Filtration	_____	_____	_____
Pressure Sq. Ft. _____	_____	_____	_____
Gravity GPD/Sq.Ft. _____	_____	_____	_____
Disinfection	_____	_____	_____
Chlorinator _____	<u>Yes</u>	<u>Yes</u>	_____
Ozone _____	<u>No</u>	<u>No</u>	_____
Other _____	<u>No</u>	<u>No</u>	_____
Auxiliary Power _____	<u>60 Kw Diesel Gen</u>	<u>60 Kw Diesel Gen</u>	_____

UTILITY NAME: Neighborhood Utilities, Inc.

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SYSTEM NAME: Neighborhood Utilities, Inc.

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. 686
2. Maximum number of ERCs* which can be served. 1057
3. Present system connection capacity (in ERCs *) using existing lines. 686
4. Future connection capacity (in ERCs *) upon service area buildout. 371
5. Estimated annual increase in ERCs *. 70
6. Is the utility required to have fire flow capacity? yes
If so, how much capacity is required? 750 gpm
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.
Increase pumping capacity to maintain fire flow for mobile home park expansion in 2007 or 2008
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? no
11. Department of Environmental Protection ID # 2164279
12. Water Management District Consumptive Use Permit # CUP756
 - a. Is the system in compliance with the requirements of the CUP? yes
 - b. If not, what are the utility's plans to gain compliance?

* 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

**Does not apply to Neighborhood Utilities, Inc. - Water Only Utility*

UTILITY NAME: Neighborhood Utilities, Inc.

YEAR OF REPORT
DECEMBER 31, 2006

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. he 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.

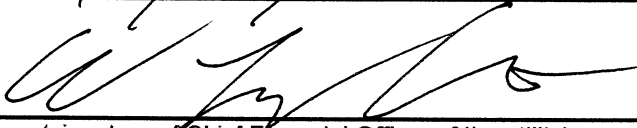


(signature of Chief Executive Officer of the utility) *

Date:

4/30/07

1. 2. 3. 4.



(signature of Chief Financial Officer of the utility) *

Date:

4/30/07

* 1 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: Neighborhood Utilities, Inc.

For the Year Ended December 31, 2006

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. F-3	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Residential	\$ 84,519	\$ 84,519	\$ _____
Commercial	1,084	1,084	_____
Industrial	_____	_____	_____
Multiple Family	_____	_____	_____
Guaranteed Revenues	_____	_____	_____
Other	1,159	1,159	_____
Total Water Operating Revenue	\$ 86,762	\$ 86,762	\$ _____
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$ 86,762	\$ 86,762	\$ _____

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).