

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

Highlands Utilities Corporation

Exact Legal Name of Respondent

SU299-07-AR

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



FOR THE

YEAR ENDED DECEMBER 31, 2007

Lisa Sherman, C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANT

111 EAST PARK STREET
LAKE PLACID, FL 33852-6362

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To the Board of Directors
Highlands Utilities Corporation
Lake Placid, Florida

I have compiled the comparative balance sheets of Highlands Utilities Corporation as of December 31, 2007 and 2006, and the related comparative statements of operations and retained earnings for the years then ended and supplementary information 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.

My compilation was limited to presenting in the form prescribed by the Florida Public Service Commission information that is the representation of management. I have not audited or reviewed the financial statements and supplementary information 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 may differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Lisa Sherman, C.P.A., P.A.

April 24, 2008

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
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 unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
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 with not enough room. Such a schedule 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 statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems."
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

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

The fourth copy should be retained by the utility.

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EXECUTIVE SUMMARY

UTILITY NAME: Highlands Utilities Corporation

CERTIFICATION OF ANNUAL REPORT

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

YES NO
 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO
 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO
 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility.

YES NO
 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the 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.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



 (Signature of Chief Executive Officer of the utility) *

1.	2.	3.	4.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



 (Signature of Chief Financial Officer of the utility) *

* 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.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2007

Highlands Utilities Corporation
(Exact Name of Utility)

County: Highlands

List below the exact mailing address of the utility for which normal correspondence should be sent:

Highlands Utilities Corporation
411 Kent Avenue
Lake Placid, FL 33852

Telephone: 863-465-1296

E Mail Address: huco@htn.net

WEB Site: None

Sunshine State One-Call of Florida, Inc. Member Number None

Name and address of person to whom correspondence concerning this report should be addressed:

Dixon Pugh
411 Kent Avenue
Lake Placid, FL 33852

Telephone: 863-465-1296

List below the address of where the utility's books and records are located:

411 Kent Avenue
Lake Placid, FL 33852

Telephone: 863-465-1296

List below any groups auditing or reviewing the records and operations:

None

Date of original organization of the utility: 07/24/81

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

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<u>Dixon Pugh</u>	<u>50%</u>
2.	<u>Sue Pugh</u>	<u>50%</u>
3.	<u></u>	<u></u>
4.	<u></u>	<u></u>
5.	<u></u>	<u></u>
6.	<u></u>	<u></u>
7.	<u></u>	<u></u>
8.	<u></u>	<u></u>
9.	<u></u>	<u></u>
10.	<u></u>	<u></u>

UTILITY NAME: Highlands Utilities Corporation

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

- A. Company incorporated July 24, 1981.
- B. Commercial and residential wastewater collection and treatment in both Sebring and Lake Placid, Florida.
- C. To give customers quality wastewater service at the lowest possible price while at the same time maintain company profitability.
- D. Only one division.
- E. Expansion as needed.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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PARENT / AFFILIATE ORGANIZATION CHART

Current as of 12/31/07

Complete below an organizational chart that shows all parents, subsidiaries and affiliates of the utility.
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

Highlands Utilities Corporation 411 Kent Avenue Lake Placid, FL 33852	Pugh Septic Tank Service, Inc. 411 Kent Avenue Lake Placid, FL 33852
Both Owned by Dixon Pugh 411 Kent Avenue Lake Placid, FL 33852	
100% by rules of attribution	

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
DIXON PUGH	PRESIDENT	100	\$ 95,716
SUE PUGH	VICE PRESIDENT	100	49,040
LORRI LAMMIE	SEC/TREAS	100	51,698

COMPENSATION OF DIRECTORS

For each director, list the number of directors' meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
			\$

FINANCIAL

SECTION

UTILITY NAME: Highlands Utilities Corporation

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 2,077,442	\$ 2,136,699
108-110	Less: Accumulated Depreciation and Amortization	F-8	1,351,366	1,462,763
Net Plant			\$ 726,076	\$ 673,936
114-115	Utility Plant Acquisition adjustment (Net)	F-7		0
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 726,076	\$ 673,936
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$ 0
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 0	\$ 0
123	Investment in Associated Companies	F-10		0
124	Utility Investments	F-10		0
125	Other Investments	F-10		0
126-127	Special Funds	F-10		0
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ (9,526)	\$ (21,200)
132	Special Deposits	F-9		0
133	Other Special Deposits	F-9		0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	58,404	65,923
145	Accounts Receivable from Associated Companies	F-12		0
146	Notes Receivable from Associated Companies	F-12		0
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12		0
Total Current and Accrued Assets			\$ 48,878	\$ 44,723

* Not Applicable for Class B Utilities

UTILITY NAME: Highlands Utilities Corporation

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 4,617	\$ 3,898
182	Extraordinary Property Losses	F-13		0
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Miscellaneous Deferred Debits	F-14		0
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		\$ 4,617	\$ 3,898
	TOTAL ASSETS AND OTHER DEBITS		\$ 779,571	\$ 722,557

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT

December 31, 2007

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 760	\$ 760
204	Preferred Stock Issued	F-15		0
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		76,990	76,990
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(1,019,434)	(1,147,999)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (941,684)	\$ (1,070,249)
LONG TERM DEBT				
221	Bonds	F-15		0
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	261,162	243,139
224	Other Long Term Debt	F-17		0
Total Long Term Debt			\$ 261,162	\$ 243,139
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		52,477	76,727
232	Notes Payable	F-18	804,064	915,901
233	Accounts Payable to Associated Companies	F-18		0
234	Notes Payable to Associated Companies	F-18		0
235	Customer Deposits		500	
236	Accrued Taxes	W/S-3	26,240	20,278
237	Accrued Interest	F-19	360,379	384,530
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		0
Total Current & Accrued Liabilities			\$ 1,243,660	\$ 1,397,436

* Not Applicable for Class B Utilities

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____ 0
252	Advances For Construction	F-20	_____	_____ 0
253	Other Deferred Credits	F-21	_____	_____ 0
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ _____ 0	\$ _____ 0
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____ 0	\$ _____ 0
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ _____ 1,138,339	\$ _____ 1,138,339
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	_____ 921,906	_____ (986,108)
Total Net CIAC			\$ _____ 216,433	\$ _____ 152,231
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		_____	_____
Total Accumulated Deferred Income Tax			\$ _____ 0	\$ _____ 0
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ _____ 779,571	\$ _____ 722,557

UTILITY NAME: Highlands Utilities Corporation

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 637,208	\$ 658,197
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		0
Net Operating Revenues			\$ 637,208	\$ 658,197
401	Operating Expenses	F-3(b)	\$ 619,275	\$ 619,204
403	Depreciation Expense:	F-3(b)	\$ 112,288	\$ 115,435
	Less: Amortization of CIAC	F-22	63,861	64,202
Net Depreciation Expense			\$ 48,427	\$ 51,233
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		0
407	Amortization Expense (Other than CIAC)	F-3(b)		0
408	Taxes Other Than Income	W/S-3	63,362	68,657
409	Current Income Taxes	W/S-3		0
410.1*	Deferred Federal Income Taxes	W/S-3		0
410.11	Deferred State Income Taxes	W/S-3		0
411.1	Provision for Deferred Income Taxes - Credit	W/S-3		0
412.1	Investment Tax Credits Deferred to Future Periods	W/S-3		0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		0
Utility Operating Expenses			\$ 731,064	\$ 739,094
Net Utility Operating Income			\$ (93,856)	\$ (80,897)
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		0
413	Income From Utility Plant Leased to Others			0
414	Gains (losses) From Disposition of Utility Property			0
420	Allowance for Funds Used During Construction			0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ (93,856)	\$ (80,897)

* For each account, Column e should agree with Columns f, g and h on F-3(b)

YEAR OF REPORT

UTILITY NAME: Highlands Utilities Corporation

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 0	\$ 658,197	\$
0	0	
\$ 0	\$ 658,197	\$ 0
\$ 0	\$ 619,204	\$
0	115,435	
0	64,202	
\$ 0	\$ 51,233	\$ 0
0	0	
0	0	
0	68,657	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
\$ 0	\$ 739,094	\$ 0
\$ 0	\$ (80,897)	\$ 0
0	0	
0	0	
0	0	
0	0	
\$ 0	\$ (80,897)	\$ 0

* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ <u>(93,856)</u>	\$ <u>(80,897)</u>
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$ _____	\$ _____
416	Costs & Expenses of Merchandising Jobbing, and Contract Work		_____	_____
419	Interest and Dividend Income		6	_____
421	Nonutility Income		_____	_____
426	Miscellaneous Nonutility Expenses		(558)	_____
Total Other Income and Deductions			\$ <u>(552)</u>	\$ <u>0</u>
TAXES APPLICABLE TO OTHER INCOME				
408.2	Taxes Other Than Income		\$ _____	\$ _____
409.2	Income Taxes		_____	_____
410.2	Provision for Deferred Income Taxes		_____	_____
411.2	Provision for Deferred Income Taxes - Credit		_____	_____
412.2	Investment Tax Credits - Net		_____	_____
412.3	Investment Tax Credits Restored to Operating Income		_____	_____
Total Taxes Applicable To Other Income			\$ <u>0</u>	\$ <u>0</u>
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 43,475	\$ 46,949
428	Amortization of Debt Discount & Expense	F-13	720	719
429	Amortization of Premium on Debt	F-13	_____	0
Total Interest Expense			\$ <u>44,195</u>	\$ <u>47,668</u>
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$ _____	\$ _____
434	Extraordinary Deductions		_____	_____
409.3	Income Taxes, Extraordinary Items		_____	_____
Total Extraordinary Items			\$ <u>0</u>	\$ <u>0</u>
NET INCOME			\$ <u>(138,603)</u>	\$ <u>(128,565)</u>

Explain Extraordinary Income:

UTILITY NAME: Highlands Utilities Corporation

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 0	\$ 2,136,699
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	0	1,462,763
110	Accumulated Amortization	F-8	0	0
271	Contributions in Aid of Construction	F-22	0	1,138,339
252	Advances for Construction	F-20		
Subtotal			\$ 0	\$ (464,403)
272	Add:			
	Accumulated Amortization of Contributions in Aid of Construction	F-22	0	986,108
Subtotal			\$ 0	\$ 521,705
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-7	0	0
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0	0
	Working Capital Allowance (3)		0	77,401
	Other (Specify):			

RATE BASE			\$ 0	\$ 599,106
NET UTILITY OPERATING INCOME			\$ 0	\$ (80,897)
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			0.00%	-13.50%

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 0	\$ 2,136,699	\$ _____	\$ 2,136,699
102	Utility Plant Leased to Other	_____	_____	_____	0
103	Property Held for Future Use	_____	_____	_____	0
104	Utility Plant Purchased or Sold	_____	_____	_____	0
105	Construction Work in Progress	_____	_____	_____	0
106	Completed Construction Not Classified	_____	_____	_____	0
	Total Utility Plant	\$ 0	\$ 2,136,699	\$ 0	\$ 2,136,699

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ 0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Plant Acquisition Adjustments	\$ 0	\$ 0	\$ 0	\$ 0
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ 0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Accumulated Amortization	\$ 0	\$ 0	\$ 0	\$ 0
	Net Acquisition Adjustments	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: Highlands Utilities Corporation

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$	\$ 1,351,366	\$	\$ 1,351,366
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$	\$ 115,435	\$	\$ 115,435
Account 108.2 (2)				0
Account 108.3 (2)				0
Other Accounts (specify):				0
				0
				0
Salvage				0
Other Credits (Specify):				0
				0
Total Credits	\$ 0	\$ 115,435	\$ 0	\$ 115,435
Debits during year:				
Book cost of plant retired				0
Cost of Removal		4,038		4,038
Other Debits (specify):				0
				0
Total Debits	\$ 0	\$ 4,038	\$ 0	\$ 4,038
Balance end of year	\$ 0	\$ 1,462,763	\$ 0	\$ 1,462,763
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$	\$	\$	\$ 0
Credit during year:				
Accruals charged to:				
Account 110.2 (3)	\$	\$	\$	\$ 0
Other Accounts (specify):				0
				0
Total credits	\$ 0	\$ 0	\$ 0	\$ 0
Debits during year:				
Book cost of plant retired				0
Other debits (specify):				0
				0
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ 0	\$ 0	\$ 0	\$ 0

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Highlands Utilities Corporation

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
_____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ <u>0</u>		\$ <u>0</u>

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$ _____	\$ _____	\$ _____	\$ _____ 0
	_____	_____	_____	_____ 0
	_____	_____	_____	_____ 0
	_____	_____	_____	_____ 0
Total Nonutility Property	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): _____ _____ _____	\$ _____ _____ _____
Total Special Deposits	\$ <u>0</u>
OTHER SPECIAL DEPOSITS (Account 133): _____ _____ _____	\$ _____ _____ _____
Total Other Special Deposits	\$ <u>0</u>

UTILITY NAME: Highlands Utilities Corporation

**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Investment in Associated Companies		\$ <u>0</u>
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Utility Investment		\$ <u>0</u>
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Other Investment		\$ <u>0</u>
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____		\$ _____ _____ _____ _____
Total Special Funds		\$ <u>0</u>

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ _____	
Wastewater	_____ 59,073	
Other	_____	
Total Customer Accounts Receivable		\$ 59,073
OTHER ACCOUNTS RECEIVABLE (Account 142):		
EMPLOYEE ADVANCES	\$ _____ 6,850	
_____	_____	
_____	_____	
Total Other Accounts Receivable		\$ 6,850
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 65,923
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ _____	
Add: Provision for uncollectibles for current year	\$ _____	
Collection of accounts previously written off	_____	
Utility Accounts	_____	
Others	_____	
_____	_____	
_____	_____	
Total Additions	\$ 0	
Deduct accounts written off during year:		
Utility Accounts	_____	
Others	_____	
_____	_____	
Total accounts written off	\$ 0	
Balance end of year		\$ 0
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 65,923

YEAR OF REPORT

UTILITY NAME: Highlands Utilities Corporation

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): _____ _____ _____	\$ 719	\$ 3,898
Total Unamortized Debt Discount and Expense	\$ <u>719</u>	\$ <u>3,898</u>
UNAMORTIZED PREMIUM ON DEBT (Account 251): _____ _____ _____	\$ _____	\$ _____
Total Unamortized Premium on Debt	\$ <u>0</u>	\$ <u>0</u>

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ _____
Total Extraordinary Property Losses	\$ <u>0</u>

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Deferred Rate Case Expense	\$ <u>0</u>	\$ <u>0</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Other Deferred Debits	\$ <u>0</u>	\$ <u>0</u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3): _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Regulatory Assets	\$ <u>0</u>	\$ <u>0</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u>0</u>	\$ <u>0</u>

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%	\$ 10
Shares authorized		1,000
Shares issued and outstanding		76
Total par value of stock issued	%	\$ 760
Dividends declared per share for year	%	\$ 0
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	%	\$

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ 0

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Highlands Utilities Corporation

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (1,019,434)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____

	Total Credits:	\$ 0
	Debits: _____	\$ _____

	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ (128,565)
436	Appropriations of Retained Earnings: _____	_____

	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____

	Total Dividends Declared	\$ 0
215	Year end Balance	\$ (1,147,999)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____

214	Total Appropriated Retained Earnings	\$ 0
Total Retained Earnings		\$ (1,147,999)

Notes to Statement of Retained Earnings:

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
ADVANCES FROM PUGH SEPTIC TANK, INC	\$ 243,139
Total	\$ <u>243,139</u>

**OTHER LONG-TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ <u>0</u>

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Highlands Utilities Corporation

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			
DIXON PUGH	3.52. %	FIXED	\$ 601,453
HIGHLANDS INDEPENDENT BANK	7.25. %	VARIABLE	250,453
HIGHLANDS INDEPENDENT BANK	8.25. %	VARIABLE	63,995
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Total Account 232			\$ <u>915,901</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
_____	_____ %	_____	\$ _____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Total Account 234			\$ <u>0</u>

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ <u>0</u>

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2007

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$ 203,405	427	\$ 4,632	\$	\$ 208,037
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account 237.1	\$ 203,405		\$ 4,632	\$ 0	\$ 208,037
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities					
Customer Deposits	\$	427	\$	\$	\$
NOTES PAYABLE	156,974	427	42,317	22,798	176,493
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account 237.2	\$ 156,974		\$ 42,317	\$ 22,798	\$ 176,493
Total Account 237 (1)	\$ 360,379		\$ 46,949	\$ 22,798	\$ 384,530
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 46,949		
Less Capitalized Interest Portion of AFUDC:					

Net Interest Expensed to Account No. 427 (2)			\$ 46,949		

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2007

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
ACCOUNT 241**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
_____ _____ _____ _____	\$ _____ _____ _____ _____
Total Miscellaneous Current and Accrued Liabilities	\$ _____ 0

**ADVANCES FOR CONSTRUCTION
ACCOUNT 252**

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT. DEBIT (c)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
			AMOUNT (d)			
_____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____					\$ _____ 0 _____ 0 _____ 0 _____ 0 _____ 0 _____ 0 _____ 0
Total	\$ _____ 0					\$ _____ 0 _____ 0

* Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME: Highlands Utilities Corporation

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Regulatory Liabilities	\$ _____ =====	\$ _____ =====
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2): _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____
Total Other Deferred Liabilities	\$ _____ =====	\$ _____ =====
TOTAL OTHER DEFERRED CREDITS	\$ _____ =====	\$ _____ =====

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
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**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 0	\$ 1,138,339	\$	\$ 1,138,339
Add credits during year:	\$ 0	\$ 0	\$	\$ 0
Less debit charged during the year	\$ 0	\$ 0	\$	\$ 0
Total Contribution In Aid of Construction	\$ 0	\$ 1,138,339	\$ 0	\$ 1,138,339

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 0	\$ 921,906	\$	\$ 921,906
Debits during the year:	\$	\$ 64,202	\$	\$ 64,202
Credits during the year	\$ 0	\$ 0	\$	\$ 0
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 0	\$ 986,108	\$ 0	\$ 986,108

UTILITY NAME: Highlands Utilities Corporation

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE
INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (128,565)
Reconciling items for the year:		
Taxable income not reported on books:		
<u>AMORTIZATION OF PRIOR CIAC</u>		<u>11,014</u>
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
<u>EXCESS OF BOOK OVER TAX DEPRECIATION</u>		<u>49,980</u>
_____		_____
<u>INTEREST ACCRUAL TO RELATED PARTY</u>		<u>19,519</u>
_____		_____
Income recorded on books not included in return:		
<u>AMORTIZATION OF CIAC</u>		<u>(64,202)</u>
<u>ACCOUNTS RECEIVABLE ADJUSTMENT</u>		<u>(3,869)</u>
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
_____		_____
Federal tax net income		\$ <u>(116,123)</u>

Computation of tax :

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-14 have been omitted from this report.

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
--

SYSTEM NAME / COUNTY : Highlands

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 2,136,699
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	<u>1,462,763</u>
110	Accumulated Amortization	F-8	<u>0</u>
271	Contributions in Aid of Construction	S-7	<u>1,138,339</u>
252	Advances for Construction	F-20	
Subtotal			\$ <u>(464,403)</u>
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 986,108
Subtotal			\$ <u>521,705</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		<u>77,401</u>
	Other (Specify):		
WASTEWATER RATE BASE			\$ <u><u>599,106</u></u>
WASTEWATER OPERATING INCOME		S-3	\$ <u><u>(80,897)</u></u>
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			<u><u>-13.50%</u></u>

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Highlands

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 658,197
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	0
Net Operating Revenues			\$ 658,197
401	Operating Expenses	S-10(a)	\$ 619,204
403	Depreciation Expense	S-6(a)	115,435
	Less: Amortization of CIAC	S-8(a)	64,202
Net Depreciation Expense			\$ 51,233
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	0
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		29,619
408.11	Property Taxes		14,201
408.12	Payroll Taxes		19,207
408.13	Other Taxes and Licenses		5,630
408	Total Taxes Other Than Income		\$ 68,657
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 739,094
Utility Operating Income			\$ (80,897)
530	Add Back: Guaranteed Revenue (and AFPI)	S-9(a)	\$ 0
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ (80,897)

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
		\$	\$	\$	\$
351	Organization	1,355			1,355
352	Franchises	11,337			11,337
353	Land and Land Rights	30,833	0	0	30,833
354	Structures and Improvements	131,254			131,254
355	Power Generation Equipment				0
360	Collection Sewers - Force	231,345			231,345
361	Collection Sewers - Gravity	250,346			250,346
362	Special Collecting Structures	1,333			1,333
363	Services to Customers	2,041			2,041
364	Flow Measuring Devices	6,554			6,554
365	Flow Measuring Installations	1,965			1,965
366	Reuse Services				0
367	Reuse Meters and Meter Installations				0
370	Receiving Wells	70,481			70,481
371	Pumping Equipment	395,956	55,626		451,582
374	Reuse Distribution Reservoirs				0
375	Reuse Transmission and Distribution System				0
380	Treatment and Disposal Equipment	695,951	482		696,433
381	Plant Sewers	9,523			9,523
382	Outfall Sewer Lines				0
389	Other Plant Miscellaneous Equipment	9,756			9,756
390	Office Furniture and Equipment	23,400		3,599	19,801
391	Transportation Equipment	150,066			150,066
392	Stores Equipment	1,607			1,607
393	Tools, Shop and Garage Equipment	14,319		439	13,880
394	Laboratory Equipment				0
395	Power Operated Equipment				0
396	Communication Equipment				0
397	Miscellaneous Equipment	18,079	7,190		25,269
398	Other Tangible Plant	19,938			19,938
	Total Wastewater Plant	2,077,439	63,298	4,038	2,136,699

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

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
351	Organization	\$ 1,355						
352	Franchises	11,337						
353	Land and Land Rights		30,833					0
354	Structures and Improvements		131,254					
355	Power Generation Equipment							
360	Collection Sewers - Force		231,345					
361	Collection Sewers - Gravity		250,346					
362	Special Collecting Structures		1,333					
363	Services to Customers		2,041					
364	Flow Measuring Devices		6,554					
365	Flow Measuring Installations		1,965					
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			70,481				
371	Pumping Equipment			451,582				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				696,433			
381	Plant Sewers				9,523			
382	Outfall Sewer Lines				9,756			
389	Other Plant Miscellaneous Equipment							19,801
390	Office Furniture and Equipment							150,066
391	Transportation Equipment							1,607
392	Stores Equipment							13,880
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							25,269
397	Miscellaneous Equipment							19,938
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 12,692	\$ 655,671	\$ 522,063	\$ 715,712	\$ 0	\$ 0	\$ 230,561

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

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
--

SYSTEM NAME / COUNTY : Highlands

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements	32		3.13%
355	Power Generation Equipment			
360	Collection Sewers - Force	30		3.33%
361	Collection Sewers - Gravity	45		2.22%
362	Special Collecting Structures	40		2.50%
363	Services to Customers	38		2.63%
364	Flow Measuring Devices	5		20.00%
365	Flow Measuring Installations	38		2.63%
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	30		3.33%
371	Pumping Equipment	18		5.56%
374	Reuse Distribution Reservoirs			
375	Reuse Transmission/Distribution Sys.			
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers	35		2.86%
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment	18		5.56%
390	Office Furniture and Equipment	15		6.67%
391	Transportation Equipment	6		16.67%
392	Stores Equipment	18		5.56%
393	Tools, Shop and Garage Equipment	16		6.25%
394	Laboratory Equipment			
395	Power Operated Equipment	12		8.33%
396	Communication Equipment	10		10.00%
397	Miscellaneous Equipment	15		6.67%
398	Other Tangible Plant	10		10.00%
Wastewater Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCURALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 40,145	\$ 4,108		\$ 4,108
355	Power Generation Equipment				0
360	Collection Sewers - Force	143,976	7,704		7,704
361	Collection Sewers - Gravity	151,145	5,558		5,558
362	Special Collecting Structures	686	33		33
363	Services to Customers	922	54		54
364	Flow Measuring Devices	14,420	1,311		1,311
365	Flow Measuring Installations	1,539	52		52
366	Reuse Services				0
367	Reuse Meters and Meter Installations				0
370	Receiving Wells	49,571	2,347		2,347
371	Pumping Equipment	210,781	23,562		23,562
374	Reuse Distribution Reservoirs				0
375	Reuse Transmission/Distribution Sys.	560,614	38,708		38,708
380	Treatment and Disposal Equipment	2,519	272		272
381	Plant Sewers				0
382	Outfall Sewer Lines	9,471	542		542
389	Other Plant Miscellaneous Equipment	3,380	1,441		1,441
390	Office Furniture and Equipment	127,065	25,016		25,016
391	Transportation Equipment	1,722	89		89
392	Stores Equipment	2,367	881		881
393	Tools, Shop and Garage Equipment				0
394	Laboratory Equipment				0
395	Power Operated Equipment	(2,980)			0
396	Communication Equipment	35			0
397	Miscellaneous Equipment	8,574	1,763		1,763
398	Other Tangible Plant	25,414	1,994		1,994
Total Depreciable Wastewater Plant in Service		\$ 1,351,366	\$ 115,435	\$ 0	\$ 115,435

* Specify nature of transaction.
Use () to denote reversal entries.

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$	\$ 44,253
355	Power Generation Equipment				0	0
360	Collection Sewers - Force				0	151,680
361	Collection Sewers - Gravity				0	156,703
362	Special Collecting Structures				0	719
363	Services to Customers				0	976
364	Flow Measuring Devices				0	15,731
365	Flow Measuring Installations				0	1,591
366	Reuse Services				0	0
367	Reuse Meters and Meter Installations				0	0
370	Receiving Wells				0	51,918
371	Pumping Equipment				0	234,343
374	Reuse Distribution Reservoirs				0	0
375	Reuse Transmission/Distribution Sys.				0	599,322
380	Treatment and Disposal Equipment				0	2,791
381	Plant Sewers				0	0
382	Outfall Sewer Lines				0	10,013
389	Other Plant Miscellaneous Equipment	3,599			3,599	1,222
390	Office Furniture and Equipment				0	152,081
391	Transportation Equipment				0	1,811
392	Stores Equipment	439			439	2,809
393	Tools, Shop and Garage Equipment				0	0
394	Laboratory Equipment				0	0
395	Power Operated Equipment				0	(2,980)
396	Communication Equipment				0	35
397	Miscellaneous Equipment				0	10,337
398	Other Tangible Plant				0	27,408
Total Depreciable Wastewater Plant in Service		\$ 4,038	\$ 0	\$ 0	\$ 4,038	\$ 1,462,763

* Specify nature of transaction.
Use () to denote reversal entries.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Highlands

WASTEWATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
_____	_____	\$ _____	\$ _____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
_____	_____	_____	_____ 0
Total Credits			\$ _____ 0

**ACCUMULATED AMORTIZATION OF WASTEWATER
 CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ _____ 921,906
Debits during the year:	
Accruals charged to Account 272	\$ _____ 64,202
Other debits (specify) :	
_____	_____
_____	_____
Total debits	\$ _____ 64,202
Credits during the year (specify) :	
_____	\$ _____
_____	_____
Total credits	\$ _____ 0
Balance end of year	\$ _____ 986,108

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Highlands

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: Residential Revenues			\$ _____
521.2	Commercial Revenues			_____
521.3	Industrial Revenues			_____
521.4	Revenues From Public Authorities			_____
521.5	Multiple Family Dwelling Revenues			_____
521.6	Other Revenues			_____
521	Total Flat Rate Revenues	0	0	\$ _____ 0
522.1	Measured Revenues: Residential Revenues	1,332	1,340	331,775
522.2	Commercial Revenues	175	179	289,311
522.3	Industrial Revenues			35,761
522.4	Revenues From Public Authorities			_____
522.5	Multiple Family Dwelling Revenues	12	12	_____
522	Total Measured Revenues	1,519	1,531	\$ _____ 656,847
523	Revenues From Public Authorities			_____
524	Revenues From Other Systems			_____
525	Interdepartmental Revenues			_____
Total Wastewater Sales		<u>1,519</u>	<u>1,531</u>	\$ _____ <u>656,847</u>
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ _____
531	Sale of Sludge			_____
532	Forfeited Discounts			_____
534	Rents From Wastewater Property			_____
535	Interdepartmental Rents			_____
536	Other Wastewater Revenues			1,350
Total Other Wastewater Revenues				\$ _____ 1,350

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
--

SYSTEM NAME / COUNTY : Highlands

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues	_____	_____	\$ _____
540.2	Commercial Reuse Revenues	_____	_____	_____
540.3	Industrial Reuse Revenues	_____	_____	_____
540.4	Reuse Revenues From Public Authorities	_____	_____	_____
540.5	Other Revenues	_____	_____	_____
540	Total Flat Rate Reuse Revenues	0	0	\$ _____ 0
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues	_____	_____	_____
541.2	Commercial Reuse Revenues	_____	_____	_____
541.3	Industrial Reuse Revenues	_____	_____	_____
541.4	Reuse Revenues From Public Authorities	_____	_____	_____
541	Total Measured Reuse Revenues	0	0	\$ _____ 0
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				\$ _____ 0
Total Wastewater Operating Revenues				\$ <u>658,197</u>

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 43,998	\$	\$	\$	\$	\$ 31,815	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	196,455					95,716	
704	Employee Pensions and Benefits	150						
710	Purchased Sewage Treatment	0						
711	Sludge Removal Expense	8,923					8,923	
715	Purchased Power	65,623			30,163		28,279	
716	Fuel for Power Production	0						
718	Chemicals	25,699					25,699	
720	Materials and Supplies	45,683				5,232	555	6,450
731	Contractual Services-Engineering	38						
732	Contractual Services - Accounting	12,825						
733	Contractual Services - Legal	3,852						
734	Contractual Services - Mgt. Fees	0						
735	Contractual Services - Testing	0						
736	Contractual Services - Other	119,283						
741	Rental of Building/Real Property	19,824		9,273		21,572	32,351	5,195
742	Rental of Equipment	0						
750	Transportation Expenses	31,811						
756	Insurance - Vehicle	3,588						
757	Insurance - General Liability	0						
758	Insurance - Workman's Comp.	5,829						
759	Insurance - Other	26,942						
760	Advertising Expense	379						
766	Regulatory Commission Expenses							
	- Amortization of Rate Case Expense	0						
767	Regulatory Commission Exp.-Other	0						
770	Bad Debt Expense	1,523						
775	Miscellaneous Expenses	6,779						
	Total Wastewater Utility Expenses	\$ 619,204	\$ 0	\$ 9,273	\$ 30,163	\$ 26,804	\$ 223,338	\$ 11,645

YEAR OF REPORT
December 31, 2007

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	12,183	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders		100,739				
704	Employee Pensions and Benefits		150				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power		7,181				
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		33,446				
731	Contractual Services-Engineering		38				
732	Contractual Services - Accounting		12,825				
733	Contractual Services - Legal		3,852				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other		50,892				
741	Rental of Building/Real Property		19,824				
742	Rental of Equipment						
750	Transportation Expenses		31,811				
756	Insurance - Vehicle		3,588				
757	Insurance - General Liability						
758	Insurance - Workman's Comp.		5,829				
759	Insurance - Other		26,942				
760	Advertising Expense		379				
766	Regulatory Commission Expenses						
	- Amortization of Rate Case Expense						
767	Regulatory Commission Exp -Other						
770	Bad Debt Expense	1,523					
775	Miscellaneous Expenses		6,779				
Total Wastewater Utility Expenses		\$ 1,523	\$ 316,458	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Highlands

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	1,340	1,340
5/8"	Displacement	1.0	126	126
3/4"	Displacement	1.5		0
1"	Displacement	2.5	24	60
1 1/2"	Displacement or Turbine	5.0	11	55
2"	Displacement, Compound or Turbine	8.0	20	160
3"	Displacement	15.0	8	120
3"	Compound	16.0		0
3"	Turbine	17.5		0
4"	Displacement or Compound	25.0	2	50
4"	Turbine	30.0		0
6"	Displacement or Compound	50.0		0
6"	Turbine	62.5		0
8"	Compound	80.0		0
8"	Turbine	90.0		0
10"	Compound	115.0		0
10"	Turbine	145.0		0
12"	Turbine	215.0		0
Total Wastewater System Meter Equivalents				<u>1,911</u>

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

<p>ERC Calculation:</p> <p align="center">29,685,000 divided by 1,340 divided by 365 = 60.69</p>
--

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Brunners - Highlands

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	<u>0.0150 MGD</u>	_____	_____
Basis of Permit Capacity (1)	<u>0.0150 MGD</u>	_____	_____
Manufacturer	<u>Defiance/Pugh</u>	_____	_____
Type (2)	<u>Extended Aeration</u>	_____	_____
Hydraulic Capacity	<u>0.015 MGD</u>	_____	_____
Average Daily Flow	<u>0.0069 MGD</u>	_____	_____
Total Gallons of Wastewater Treated	<u>2.530 MG</u>	_____	_____
Method of Effluent Disposal	<u>Percolation Ponds</u>	_____	_____

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Clearview Plant - Highlands

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0350 MGD	_____	_____
Basis of Permit Capacity (1)	0.0350 MGD	_____	_____
Manufacturer	DEFIANCE/PUGH	_____	_____
Type (2)	EXTENDED AERATION	_____	_____
Hydraulic Capacity	0.0350 MGD	_____	_____
Average Daily Flow	0.0000 MGD	_____	_____
Total Gallons of Wastewater Treated	0.000 MG	_____	_____
Method of Effluent Disposal	PERCULATION 2 PONDS	_____	_____

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

<p>YEAR OF REPORT December 31, 2007</p>

SYSTEM NAME / COUNTY: South Plant - Highlands

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.060 MGD		
Basis of Permit Capacity (1)	0.060 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.060 MGD		
Average Daily Flow	0.070594 MGD		
Total Gallons of Wastewater Treated	25.827 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2007
--

SYSTEM NAME / COUNTY : Western Boulevard - Highlands

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	<u>0.200 MGD</u>		
Basis of Permit Capacity (1)	<u>0.200 MGD</u>		
Manufacturer	<u>Definace/Pugh</u>		
Type (2)	<u>Extended Aeration</u>		
Hydraulic Capacity	<u>0.200 MGD</u>		
Average Daily Flow	<u>0.15535 MGD</u>		
Total Gallons of Wastewater Treated	<u>56.726 MG</u>		
Method of Effluent Disposal	<u>Percolation 2 Ponds</u>		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Present number of ERCs* now being served 3,756

2. Maximum number of ERCs* which can be served 4,668

3. Present system connection capacity (in ERCs*) using existing lines 4,668

4. Future connection capacity (in ERCs*) upon service area buildout N/A

5. Estimated annual increase in ERCs* N/A

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
NONE

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. N/A

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? NO
 If so, when? _____

9. Has the utility been required by the DEP or water management district to implement reuse? NO
 If so, what are the utility's plans to comply with this requirement? _____

10. When did the company last file a capacity analysis report with the DEP? N/A

11. If the present system does not meet the requirements of DEP rules:
 a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 b. Have these plans been approved by DEP? N/A
 c. When will construction begin? N/A
 d. Attach plans for funding the required upgrading.
 e. Is this system under any Consent Order with DEP? N/A

12. Department of Environmental Protection ID # FLA 014369, FLA 014353, FLA 014394, FLA 014328

* An ERC is determined based on the calculation on S-11.

*Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B*

Company:

For the Year Ended December 31, 2007 _____

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. S-9	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ _____	\$ _____	\$ _____
Total Measured Revenues (522.1 - 522.5)	656,847	656,847	
Revenues from Public Authorities (523)	_____	_____	
Revenues from Other Systems (524)	_____	_____	
Interdepartmental Revenues (525)	_____	_____	
Total Other Wastewater Revenues (530 - 536)	1,350	1,350	
Reclaimed Water Sales (540.1 - 544)	_____	_____	
Total Wastewater Operating Revenue	\$ 658,197	\$ 658,197	\$ _____
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ 658,197	\$ 658,197	\$ _____

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).