

Table 1 W

**WATER INDUSTRY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,  
(\$000s)**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$473,791	\$422,657	\$396,916	\$372,813	\$351,242
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	302	302	302	302	303
3 Other Investments	544	3,460	8,789	8,267	11,420
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	846	3,762	9,092	8,569	11,723
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	5,336	10,657	5,944	2,372	5,357
7 Notes and Accounts Receivables - Net	11,824	13,490	13,342	12,406	11,960
8 Receivables from Associated Companies	57	(14)	(39)	110	64
9 Materials and Supplies	2,331	2,825	2,990	2,441	2,323
10 Prepayments	10,970	17,103	17,536	18,014	19,453
11 Accrued Utility Revenue	13,171	9,451	8,468	8,309	9,567
12 Misc Current and Accrued Assets	212	219	607	143	190
13 Total Current and Accrued Assets	43,901	53,731	48,848	43,794	48,913
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	6,311	6,664	6,041	5,173	5,481
15 Other Deferred Debits	56,927	42,690	33,766	32,528	28,910
16 Accumulated Deferred Income Taxes	8,162	17,936	18,076	18,305	18,171
17 Total Deferred Debits	71,400	67,289	57,882	56,005	52,562
18 <b>Total Assets and Other Debits</b>	<b>\$589,938</b>	<b>\$547,439</b>	<b>\$512,738</b>	<b>\$481,182</b>	<b>\$464,440</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$29,375	\$29,375	\$29,375	\$29,375	\$29,375
20 Preferred Stock Issued	2,125	2,125	2,125	2,125	2,125
21 Other Paid-in Capital	101,780	71,016	63,016	46,576	42,367
22 Retained Earnings	133,651	123,583	122,218	117,971	110,725
23 Reacquired Capital Stock					
24 Total Proprietary Capital	266,930	226,098	216,734	196,047	184,592
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	115,390	115,640	108,660	95,100	100,948
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	25,371	30,545	35,678	43,636	33,813
27 Accounts Payable	14,902	7,815	6,728	5,312	4,909
28 Payables to Associated Companies	16,530	18,145	14,030	15,379	10,156
29 Customer Deposits	199	180	169	193	272
30 Taxes Accrued	6,130	3,536	354	(653)	3,999
31 Interest Accrued	2,323	2,290	2,196	2,201	2,376
32 Matured Long-Term Debt	297	250	2,213	14	
33 Misc Current and Accrued Liabilities	8,809	8,364	8,288	6,017	5,376
34 Total Current and Accrued Liabilities	74,560	71,125	69,655	72,099	60,900
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	5,920	6,910	7,404	7,305	8,279
36 Other Deferred Credits	38,310	37,048	21,011	26,433	34,664
37 Accumulated Deferred Investment Tax Credits	1,841	1,895	1,948	2,003	2,057
38 Accumulated Deferred Income Taxes	86,210	84,961	82,539	76,188	66,479
39 Total Deferred Credits	132,281	130,814	112,901	111,930	111,480
<b>OPERATING RESERVES</b>					
40 Operating Reserves	777	3,762	4,787	6,006	6,520
41 <b>Total Liabilities and Other Credits</b>	<b>\$589,938</b>	<b>\$547,439</b>	<b>\$512,738</b>	<b>\$481,182</b>	<b>\$464,440</b>

**WATER INDUSTRY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**  
**(\$000s)**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$154,772	\$146,293	\$136,564	\$135,930	\$135,761	1
Operating Expense:						
Operation Expense	61,959	55,927	53,326	49,758	50,619	2
Maintenance Expense	9,683	8,574	7,988	7,274	8,024	3
Depreciation and Amortization Expense	12,545	11,497	11,034	10,629	10,047	4
Taxes Other than Income Taxes	38,350	39,255	39,315	38,848	38,067	5
Income Taxes	7,567	7,795	5,991	7,970	7,724	6
Total Operating Expenses	130,104	123,048	117,654	114,479	114,481	7
Net Operating Revenues	24,668	23,245	18,910	21,452	21,280	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>24,668</b>	<b>23,245</b>	<b>18,910</b>	<b>21,452</b>	<b>21,280</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income	855	851	436	940	1,021	11
Allowance for Funds Used During Construction	2,210	1,358	1,408	1,832	1,108	12
Miscellaneous Nonoperating Income	1,146	401	341	881	(375)	13
Other Income	891	161	305	247	185	14
Total Other Income	5,101	2,771	2,489	3,901	1,938	15
Other Income Deductions	63	46	245	228	394	16
Taxes-Other Income and Deductions	350	386	331	479	36	17
<b>Income Available</b>	<b>29,355</b>	<b>25,584</b>	<b>20,823</b>	<b>24,646</b>	<b>22,788</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	7,783	7,638	7,165	7,087	7,478	19
Interest on Debt to Associated Co.	3,725	3,037	2,739	2,447	2,542	20
Other Interest Expense	5,414	2,405	1,748	1,987	1,816	21
Total Interest Charges	16,923	13,081	11,652	11,520	11,836	22
Income Before Extraordinary Items	12,433	12,503	9,170	13,126	10,952	23
Extraordinary Items						24
<b>Net Income</b>	<b>\$12,433</b>	<b>\$12,503</b>	<b>\$9,170</b>	<b>\$13,126</b>	<b>\$10,952</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (BOP)	\$123,583	\$121,930	\$117,971	\$110,725	\$114,000	26
Balance Transferred from Income	12,433	12,503	9,170	13,126	10,952	27
Appropriated						28
Dividends Declared-Preferred Stock	2,727	2,727	2,727	127	127	29
Dividends Declared-Common Stock	3,797	7,613	3,583	8,432	8,482	30
Adjustments to Retained Earnings	4,160	(511)	1,387	2,680	(5,618)	31
Net Change	10,069	1,652	4,248	7,246	(3,275)	32
Unappropriated (EOP)	133,651	123,583	122,218	117,971	110,725	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>\$133,651</b>	<b>\$123,583</b>	<b>\$122,218</b>	<b>\$117,971</b>	<b>\$110,725</b>	<b>35</b>

Table 3W

**WATER INDUSTRY  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,  
(\$000S)**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$12,433	\$12,503	\$9,170	\$13,126	\$10,952
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	18,743	12,246	12,128	11,207	9,442
3 Deferred Taxes & ITCs	7,553	2,805	6,900	12,135	2,377
4 Receivables and Inventory	(1,700)	(532)	1,425	(529)	2,053
5 Payables and Accrued Expenses	6,707	3,263	2,825	(833)	4,104
6 Capitalized AFUDC - Equity Funds	(2,183)	(1,428)	(1,275)	(1,736)	(1,062)
7 Equity In Loss (Earnings) Of Affiliates	1,230				
8 Other Adjustments	13,139	4,310	(8,993)	(5,195)	(4,283)
9	(3,648)	1,166	(515)	(3,518)	3,901
10	(4,584)	(1,936)	893	(6,495)	(429)
11 Net Cash From Operating Activities	<u>47,689</u>	<u>32,398</u>	<u>22,557</u>	<u>18,162</u>	<u>27,054</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(56,267)	(35,791)	(33,498)	(30,415)	(25,755)
13 Acquisition Of Other Non-Current Assets	(15,589)	108	47	(148)	(150)
14 Investments In & Advances to Affiliates.	(188)	(138)	18	6	(89)
15 Contributions & Advances from Affiliates	160		3,540		
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments	2,274	2,057	4,113	3,148	943
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities	54	(171)			
21	(30)	4,594	(4,594)		
22	65				
23 Net Cash From Investing Activities	<u>(69,520)</u>	<u>(29,342)</u>	<u>(30,375)</u>	<u>(27,408)</u>	<u>(25,051)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	4,723	4,707	26,725	891	(5,801)
25 Common Stock	12,700	8,000	2,900	1,000	4,056
26 Preferred Stock	(800)				
27 Short-Term Debt	1,568	1,903	(8,657)	8,900	7,741
28 Dividends Paid	(6,197)	(10,341)	(6,311)	(8,210)	(8,609)
29 Other Cash Flows - Financing Activities	11,718	(2,614)	(2,090)	3,689	269
30	(7,202)		(1,177)	(8)	
31					
32 Net Cash From Financing Activities	<u>16,510</u>	<u>1,656</u>	<u>11,390</u>	<u>6,262</u>	<u>(2,343)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(5,321)	4,712	3,573	(2,985)	(339)
34 Cash & Cash Equivalents At Beginning Of Year	10,657	5,944	2,372	5,357	5,696
35 Cash & Cash Equivalents At End Of Year	\$5,336	\$10,657	\$5,944	\$2,372	\$5,357

**WATER INDUSTRY  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES (\$000s)</b>						
Sales to General Customers	\$124,767	\$121,509	\$117,644	\$117,110	\$114,846	1
Sales to Other Water Companies	7,863	9,751	4,925	5,033	4,946	2
Other Sales of Water	11,779	11,718	11,186	11,139	11,166	3
Total Revenues from Sales of Water	144,409	142,978	133,756	133,281	130,958	4
Other Water Operating Revenues	10,354	3,309	2,795	2,649	4,803	5
Total Water Operating Revenues	\$154,763	\$146,287	\$136,550	\$135,930	\$135,761	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	31,018,817	32,795,305	30,521,430	30,011,403	32,022,476	8
Sales to Other Water Companies	2,062,728	690,947	620,537	580,380	133,369	9
Other Sales of Water	303,275	325,581	275,002	284,244	291,222	10
Total Sales of Water	33,384,820	33,811,833	31,416,968	30,876,027	32,447,067	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	232,873	236,020	236,567	234,750	234,605	13
Sales to Other Water Companies	4,978	347	348	343	4	14
Other Sales of Water	2,834	3,274	3,216	3,146	2,794	15
Total Customers	240,685	239,641	240,131	238,239	237,403	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$535.77	\$514.82	\$497.30	\$498.87	\$489.53	18
Average Consumption per Customer (T.Gal)	133.20	138.95	129.02	127.84	136.50	19
Average Revenue per T Gallons Sold	\$4.02	\$3.71	\$3.85	\$3.90	\$3.59	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer						21
Average Consumption per Customer (T.Gal)						22
Average Revenue per T Gallons Sold						23
<b>OPERATION AND MAINTENANCE EXPENSES (\$000s)</b>						
Source of Supply	\$10,841	\$8,758	\$6,949	\$6,838	\$7,477	24
Power and Pumping	13,136	11,466	9,850	9,242	9,091	25
Purification	5,847	6,310	4,391	4,401	4,170	26
Transmission and Distribution	10,954	10,029	9,903	9,355	9,197	27
Customer Accounting and Collecting	7,066	7,061	6,400	5,968	6,769	28
Administrative and General	23,796	20,877	23,821	21,229	21,937	29
Total O & M Expense	\$71,640	\$64,501	\$61,314	\$57,032	\$58,642	30

**Table 5 W**

**WATER INDUSTRY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,  
(\$000s)**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues (\$000s)	\$154,763	\$146,287	\$136,550	\$135,930	\$135,761
2 Sales (Thousands of Gallons)	33,384,820	33,811,833	31,416,968	30,876,027	32,447,067
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$20,546	\$16,859	\$13,837	\$13,532	\$13,235
4 Wages and Benefits	24,185	23,409	24,390	23,375	23,340
5 Other Operation and Maintenance Expense	27,587	24,270	23,088	20,697	22,592
6 Depreciation and Amortization Expense	12,545	11,171	11,023	10,607	10,025
7 Income Taxes-Operating	7,567	7,795	5,991	7,970	7,724
8 Other Taxes-Operating	38,350	39,255	39,315	38,848	38,067
9 Capital Costs	23,982	23,528	18,908	20,902	20,778
10 Total	\$154,763	\$146,287	\$136,550	\$135,930	\$135,761
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	13.3	11.5	10.1	10.0	9.7
12 Wages and Benefits	15.6	16.0	17.9	17.2	17.2
13 Other Operation and Maintenance Expense	17.8	16.6	16.9	15.2	16.6
14 Depreciation and Amortization Expense	8.1	7.6	8.1	7.8	7.4
15 Income Taxes-Operating	4.9	5.3	4.4	5.9	5.7
16 Other Taxes-Operating	24.8	26.8	28.8	28.6	28.0
17 Capital Costs	15.5	16.1	13.8	15.4	15.3
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.62	0.50	0.44	0.44	0.41
20 Wages and Benefits	0.72	0.69	0.78	0.76	0.72
21 Other Operation and Maintenance Expense	0.83	0.72	0.73	0.67	0.70
22 Depreciation and Amortization Expense	0.38	0.33	0.35	0.34	0.31
23 Income Taxes-Operating	0.23	0.23	0.19	0.26	0.24
24 Other Taxes-Operating	1.15	1.16	1.25	1.26	1.17
25 Capital Costs	0.72	0.70	0.60	0.68	0.64
26 Total	4.64	4.33	4.35	4.40	4.18

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water	9,752,704	8,049,964	6,152,901	6,067,605	6,368,910
Fuel for Pumping	8,578,405	7,214,384	6,241,813	6,111,384	5,435,301
Chemicals	2,214,809	1,959,693	1,441,852	1,352,884	1,430,777

Total PW, Fuel and Chemicals 20,545,918 17,224,042 13,836,566 13,531,874 13,234,988

Total - Ultimate Customers 20,545,918 17,224,042 13,836,566 13,531,874 13,234,988

**Wages and Benefits**

Salaries	16,383,233	16,426,058	17,065,835	16,594,700	16,309,996
Pensions and Benefits	7,801,458	6,668,869	7,323,945	6,780,584	7,030,410
Total Wages and Benefits	24,184,691	23,094,928	24,389,780	23,375,284	23,340,406

**Other Expenses**

Total O&M Expenses	71,639,546	64,501,492	61,313,940	57,032,320	58,642,320
-Total PW, Fuel and Chemicals	20,545,918	17,224,042	13,836,566	13,531,874	13,234,988
-Wages and Benefits	24,184,691	23,094,928	24,389,780	23,375,284	23,340,406
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	26,908,937	24,182,523	23,087,593	20,125,162	22,066,926

**Depreciation and Amortization**

Depreciation Exp	12,544,729	11,496,871	11,033,639	10,628,641	10,046,759
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	12,544,729	11,496,871	11,033,639	10,628,641	10,046,759

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	20,545,918	17,224,042	13,836,566	13,531,874	13,234,988
divided by Total Gallons	33,384,820	33,811,833	31,416,968	30,876,027	32,447,067
Cost per KWH	0.0006	0.0005	0.0004	0.0004	0.0004
times Sales for Resale MWHs					
Sales for Resale Cost					

Table 6 W

**WATER INDUSTRY**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**  
**(\$000s)**

	2006	2005	2004	2003	2002	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$506	\$240	\$240	\$240	\$240	1
Source of Supply	35,247	33,491	33,027	32,876	26,410	2
Pumping	50,564	47,904	46,803	44,856	43,569	3
Water Treatment	57,475	48,091	40,015	39,713	28,819	4
Transmission and Distribution	401,178	379,463	358,837	340,944	328,491	5
General	40,174	38,254	37,039	34,704	34,041	6
Purchased or Sold				51	51	7
<b>Total Plant in Service</b>	<b>585,144</b>	<b>547,442</b>	<b>515,962</b>	<b>493,384</b>	<b>461,621</b>	<b>8</b>
Plant Leased To Others						9
Construction Work In Progress	44,502	25,372	22,978	13,082	16,976	10
Plant Held For Future Use	8,904	8,897	8,863	8,861	9,004	11
Plant Acquisition Adjustments	1,887	1,887	1,887	1,887	1,090	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,282)	(1,282)	(1,282)	(1,282)	(1,282)	13
<b>Total Plant</b>	<b>639,155</b>	<b>582,316</b>	<b>548,408</b>	<b>515,932</b>	<b>487,409</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	165,364	154,655	151,492	143,068	136,167	15
<b>Net Plant</b>	<b>\$473,791</b>	<b>\$427,661</b>	<b>\$396,916</b>	<b>\$372,864</b>	<b>\$351,242</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.59	0.76	0.70	0.61	0.80	17
Total Capitalization (\$000s)	\$407,893	\$372,660	\$363,272	\$334,783	\$319,353	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	28.8%	31.7%	30.6%	28.4%	31.6%	19
Preferred Stock	0.5%	0.6%	0.6%	0.6%	0.7%	20
Common Stock & Retained Earnings	64.9%	60.1%	59.1%	57.9%	57.1%	21
Short-Term Debt	6.3%	8.3%	10.4%	13.0%	10.6%	22
Pretax Coverage of Interest Expense	2.2	2.6	2.3	2.8	2.6	23
Com. Stock Dividends as a % of Earnings	67.2%	104.4%	97.1%	65.5%	79.8%	24
Return on Common Equity	4.0%	4.5%	3.2%	6.9%	5.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	118.4%	160.2%	254.8%	97.2%	192.2%	26
CWIP as a % of Plant	7.0%	4.4%	4.1%	2.5%	3.5%	27
Number of Employees	303	312	334	305	330	28

Current Assets	43,900,940	53,790,953	48,847,982	43,794,213	48,912,934
Current Liabilities	74,559,807	70,810,107	69,655,359	72,098,963	60,900,081
Total Capitalization	407,892,571	372,659,504	363,272,129	334,783,069	319,353,250
Long-Term Debt	117,651,751	118,255,789	111,122,290	95,100,000	100,948,134
Preferred Stock	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	264,805,451	224,099,535	214,609,291	193,921,664	182,467,117
Short-Term Debt	25,572,120	30,794,969	37,877,838	43,636,405	33,812,999
Pretax Income	37,175,043	33,583,522	27,015,121	32,799,539	30,862,095
Interest Expense	16,922,571	13,080,564	11,652,444	11,519,982	11,836,346
Dividends Paid	6,524,700	10,341,047	6,259,329	8,509,020	8,558,268
Net Income (Excl. Preferred Stock Dividends)	9,705,404	9,902,107	6,443,129	12,998,274	10,724,777
Internal Cash	47,689,386	33,698,439	22,534,613	18,212,859	27,110,086
Cash Outflows for Construction	(40,288,508)	(21,035,803)	(8,843,605)	(18,737,094)	(14,102,961)
CWIP	44,501,679	25,371,751	22,522,902	13,081,872	16,828,216
Total Plant	639,154,912	582,273,773	547,952,903	515,881,349	487,210,396
Number of Employees	303	312	334	305	330
Salaries and Wages					

**HERITAGE HILLS WATER COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$5,129,057	\$5,196,342	\$5,068,730	\$4,451,341	\$4,262,284
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	293,898	137,724	191,823	74,359	47,353
7 Notes and Accounts Receivables - Net	99,691	121,638	117,760	88,700	85,512
8 Receivables from Associated Companies					
23 Materials and Supplies					
10 Prepayments	8,240	8,180	26,493	26,077	14,323
11 Accrued Utility Revenue					
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	401,829	267,542	336,076	189,136	147,188
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	122,861	184,995	247,130	96,159	29,324
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	122,861	184,995	247,130	96,159	29,324
18 <b>Total Assets and Other Debits</b>	<b>\$5,653,747</b>	<b>\$5,648,879</b>	<b>\$5,651,936</b>	<b>\$4,736,636</b>	<b>\$4,438,796</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	50,000	50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued					
21 Other Paid-in Capital					
22 Retained Earnings	(958,626)	(898,845)	(945,797)	(899,030)	(911,754)
23 Reacquired Capital Stock					
24 Total Proprietary Capital	(908,626)	(848,845)	(895,797)	(849,030)	(861,754)
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					2,108,134
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	2,261,751	2,365,789	2,462,290	2,111,284	76,024
27 Accounts Payable	58,866	28,899	528,638	418,076	386,302
28 Payables to Associated Companies	4,173,707	4,036,611	3,492,198	3,006,650	2,679,916
29 Customer Deposits					
30 Taxes Accrued	528	378	502	(1,717)	(997)
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	67,521	66,047	64,105	51,373	51,171
34 Total Current and Accrued Liabilities	6,562,373	6,497,724	6,547,733	5,585,666	3,192,416
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction					
36 Other Deferred Credits					
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes					
39 Total Deferred Credits					
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$5,653,747</b>	<b>\$5,648,879</b>	<b>\$5,651,936</b>	<b>\$4,736,636</b>	<b>\$4,438,796</b>

**HERITAGE HILLS WATER COMPANY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY OPERATING INCOME</b>					
Operating Revenues	\$1,305,067	\$1,323,835	\$1,162,423	\$1,056,641	\$1,054,616
Operating Expense:					
Operation Expense	378,627	387,366	330,777	275,905	260,922
Maintenance Expense	53,719	40,974	88,949	45,578	67,816
Depreciation and Amortization Expense	118,620	122,139	113,699	109,152	106,948
Taxes Other than Income Taxes	352,098	327,949	318,469	297,763	282,960
Income Taxes					
Total Operating Expenses	903,064	878,428	851,894	728,398	718,646
Net Operating Revenues	402,003	445,407	310,529	328,243	335,970
Other Utility Operating Income					
<b>Total Utility Operating Income</b>	402,003	445,407	310,529	328,243	335,970
<b>OTHER INCOME</b>					
Interest and Dividend Income	11,495	4,327			176
Allowance for Funds Used During Construction					
Miscellaneous Nonoperating Income					
Other Income					
Total Other Income	11,495	4,327			176
Other Income Deductions					27,537
Taxes-Other Income and Deductions					
<b>Income Available</b>	413,498	449,734	310,529	328,243	308,609
<b>INTEREST CHARGES</b>					
Interest on Long-Term Debt	177,013	184,550	219,835	203,833	210,402
Interest on Debt to Associated Co.	296,266	218,232	137,461	111,686	122,500
Other Interest Expense					
Total Interest Charges	473,279	402,782	357,296	315,519	332,902
Income Before Extraordinary Items	(59,781)	46,952	(46,767)	12,724	(24,293)
Extraordinary Items					
<b>Net Income</b>	(\$59,781)	\$46,952	(\$46,767)	\$12,724	(\$24,293)
<hr/>					
<b>RETAINED EARNINGS</b>					
Unappropriated (Beginning)	(\$898,845)	(\$945,797)	(\$899,030)	(\$911,754)	(\$887,461)
Balance Transferred from Income	(59,781)	46,952	(46,767)	12,724	(24,293)
Appropriated					
Dividends Declared-Preferred Stock					
Dividends Declared-Common Stock					
Adjustments to Retained Earnings					
Net Change	(59,781)	46,952	(46,767)	12,724	(24,293)
Unappropriated (EOP)	(958,626)	(898,845)	(945,797)	(899,030)	(911,754)
Appropriated (EOP)					
<b>Total Retained Earnings</b>	(\$958,626)	(\$898,845)	(\$945,797)	(\$899,030)	(\$911,754)

**HERITAGE HILLS WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	(\$59,781)	\$46,952	(\$46,767)	\$12,724	(\$24,293)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	180,754	184,274	139,588	109,152	134,485
3 Deferred Taxes & ITCs				3,490	
4 Receivables and Inventory	21,748	(4,685)	(29,060)		3,991
5 Payables and Accrued Expenses	30,117	(34,248)	5,495	(6,678)	(15,652)
6 Capitalized AFUDC - Equity Funds				16,870	
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	104,153	(138,290)	107,286	14,184	32,500
9	1,673	2,749	(176,860)	(78,387)	(29,324)
10	(60)	18,313	12,316		(14,323)
11 Net Cash From Operating Activities	<u>278,604</u>	<u>75,065</u>	<u>11,998</u>	<u>71,355</u>	<u>87,384</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(51,335)	(249,751)	(731,088)	(298,209)	(47,276)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(51,335)</u>	<u>(249,751)</u>	<u>(731,088)</u>	<u>(298,209)</u>	<u>(47,276)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	32,943	217,088	913,612	253,860	(75,136)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt	(104,038)	(96,501)	(77,058)		
28 Dividends Paid					
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>(71,095)</u>	<u>120,587</u>	<u>836,554</u>	<u>253,860</u>	<u>(75,136)</u>
33 Net Increase/(Decrease) In Cash Equivalents	156,174	(54,099)	117,464	27,006	(35,028)
34 Cash & Cash Equivalents At Beginning Of Year	137,724	191,823	74,359	47,353	82,381
35 Cash & Cash Equivalents At End Of Year	\$293,898	\$137,724	\$191,823	\$74,359	\$47,353

**HERITAGE HILLS WATER COMPANY  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>SALES AND CUSTOMER DATA</b>					
<b>REVENUES</b>					
Sales to General Customers	\$1,305,067	\$1,323,835	\$1,161,243	\$1,056,643	\$1,054,616
Sales to Other Water Companies					
Other Sales of Water					
Total Revenues from Sales of Water	1,305,067	1,323,835	1,161,243	1,056,643	1,054,616
Other Water Operating Revenues					
Total Water Operating Revenues	\$1,305,067	\$1,323,835	\$1,161,243	\$1,056,643	\$1,054,616
<b>WATER SALES (Thousands of Gallons)</b>					
Sales to General Customers	91,170	99,192	93,802	91,819	92,169
Sales to Other Water Companies					
Other Sales of Water					
Total Sales of Water	91,170	99,192	93,802	91,819	92,169
<b>AVG CUSTOMERS PER MONTH</b>					
Sales to General Customers	2,612	2,559	2,487	2,440	2,430
Sales to Other Water Companies					
Other Sales of Water					
Total Customers	2,612	2,559	2,487	2,440	2,430
<b>OPERATING REVENUE RELATIONSHIP</b>					
<b>METERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	\$499.64	\$517.33	\$466.93	\$433.05	\$434.00
Average Consumption per Customer (T.Gal)	34.90	38.76	37.72	37.63	37.93
Average Revenue per T Gallons Sold	\$14.31	\$13.35	\$12.38	\$11.51	\$11.44
<b>UNMETERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	---	---	---	---	---
Average Consumption per Customer (T.Gal)	---	---	---	---	---
Average Revenue per T Gallons Sold	---	---	---	---	---
<b>OPERATION AND MAINTENANCE EXPENSES</b>					
Source of Supply	\$41,293	\$18,612	\$55,737	\$37,443	\$45,966
Power and Pumping	119,716	144,546	148,252	102,345	128,714
Purification	14,823	29,169	22,850	10,607	19,674
Transmission and Distribution	538	6,297	7,668	20,973	10,711
Customer Accounting and Collecting	199	807		3,490	(605)
Administrative and General	255,777	228,909	185,219	146,625	124,278
<b>Total O &amp; M Expense</b>	<b>\$432,346</b>	<b>\$428,340</b>	<b>\$419,726</b>	<b>\$321,483</b>	<b>\$328,738</b>

**HERITAGE HILLS WATER COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$1,305,067	\$1,323,835	\$1,161,243	\$1,056,643	\$1,054,616
2 Sales (Thousands of Gallons)	91,170	99,192	93,802	91,819	92,169
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	102,416	105,389	\$107,342	\$92,250	\$82,503
4 Wages and Benefits					
5 Other Operation and Maintenance Expense	329,930	322,951	312,384	229,233	246,235
6 Depreciation and Amortization Expense	118,620	122,139	113,699	109,152	106,948
7 Income Taxes-Operating					
8 Other Taxes-Operating	352,098	327,949	318,469	297,763	282,960
9 Capital Costs	402,003	445,407	309,349	328,245	335,970
10 Total	\$1,305,067	\$1,323,835	\$1,161,243	\$1,056,643	\$1,054,616
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.8	8.0	9.2	8.7	7.8
12 Wages and Benefits					
13 Other Operation and Maintenance Expense	25.3	24.4	26.9	21.7	23.3
14 Depreciation and Amortization Expense	9.1	9.2	9.8	10.3	10.1
15 Income Taxes-Operating					
16 Other Taxes-Operating	27.0	24.8	27.4	28.2	26.8
17 Capital Costs	30.8	33.6	26.6	31.1	31.9
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	1.12	1.06	1.14	1.00	0.90
20 Wages and Benefits					
21 Other Operation and Maintenance Expense	3.62	3.26	3.33	2.50	2.67
22 Depreciation and Amortization Expense	1.30	1.23	1.21	1.19	1.16
23 Income Taxes-Operating					
24 Other Taxes-Operating	3.86	3.31	3.40	3.24	3.07
25 Capital Costs	4.41	4.49	3.30	3.57	3.65
26 Total	14.31	13.35	12.38	11.51	11.44

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water					
Fuel for Pumping	90,018	93,296	92,567	84,727	71,910
Chemicals	12,398	12,093	14,775	7,523	10,593
Total PW, Fuel and Chemicals	102,416	105,389	107,342	92,250	82,503
Total - Ultimate Customers					

**Wages and Benefits**

Salaries					
Pensions and Benefits					
Total Wages and Benefits					

**Other Expenses**

Total O&M Expenses	432,346	428,340	419,726	321,483	328,738
-Total PW, Fuel and Chemicals	102,416	105,389	107,342	92,250	82,503
-Wages and Benefits					
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	329,930	322,951	312,384	229,233	246,235

**Depreciation and Amortization**

Depreciation Exp	118,620	122,139	113,699	109,152	106,948
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	118,620	122,139	113,699	109,152	106,948

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals					
divided by Total Gallons					
Cost per KWH					
times Sales for Resale MWHs					
Sales for Resale Cost					

**HERITAGE HILLS WATER COMPANY  
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>WATER UTILITY PLANT</b>					
<b>Plant in Service</b>					
Intangible	\$80,000	80,000	\$80,000	\$80,000	\$80,000
Source of Supply	575,795	529,518	529,518	498,020	498,020
Pumping	172,317	172,317	172,317	172,317	172,317
Water Treatment	482,632	482,632	482,632	482,632	482,632
Transmission and Distribution	6,196,772	6,191,714	5,487,126	5,244,421	4,946,211
General	11,765	11,765	11,765	9,717	9,717
Purchased or Sold					
Total Plant in Service	7,519,281	7,467,946	6,763,358	6,487,107	6,188,897
Plant Leased To Others					
Construction Work In Progress			454,837		
Plant Held For Future Use					
Plant Acquisition Adjustments					
Accum. Gains & Losses - Utility Land & Land Rights					
<b>Total Plant</b>	7,519,281	7,467,946	7,218,195	6,487,107	6,188,897
Accum. Prov. - Depr. & Amort.	2,390,224	2,271,604	2,149,465	2,035,766	1,926,613
<b>Net Plant</b>	\$5,129,057	\$5,196,342	\$5,068,730	\$4,451,341	\$4,262,284

### SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	0.06	0.04	0.05	0.03	0.05
Total Capitalization	\$1,353,125	\$1,516,944	\$1,566,493	\$1,262,254	\$1,322,404
<u>Percent Of Capitalization (incl S-T Debt)</u>					
Long-Term Debt	167.2%	156.0%	157.2%		159.4%
Preferred Stock					
Common Stock & Retained Earnings	-67.2%	-56.0%	-57.2%	-67.3%	-65.2%
Short-Term Debt	167.2%	156.0%	157.2%	167.3%	5.7%
Pretax Coverage of Interest Expense	0.9	1.1	0.9	1.0	1.0
Com. Stock Dividends as a % of Earnings					
Return on Common Equity	NA	NA	NA	NA	NA
Internal Cash Generated as a % of Cash Outflows for Construction	542.7%	30.1%	1.6%	23.9%	184.8%
CWIP as a % of Plant					
Number of Employees					

Current Assets	401,829	267,542	336,076	189,136	147,188
Current Liabilities	6,562,373	6,497,724	6,547,733	5,585,666	3,192,416
Total Capitalization	1,353,125	1,516,944	1,566,493	1,262,254	1,322,404
Long-Term Debt	2,261,751	2,365,789	2,462,290		2,108,134
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(908,626)	(848,845)	(895,797)	(849,030)	(861,754)
Short-Term Debt	2,261,751	2,365,789	2,462,290	2,111,284	76,024
Pretax Income	413,498	449,734	310,529	328,243	336,146
Interest Expense	473,279	402,782	357,296	315,519	332,902
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(59,781)	46,952	(46,767)	12,724	(24,293)
* Internal Cash	278,604	75,065	11,998	71,355	87,384
Cash Outflows for Construction	51,335	249,751	731,088	298,209	47,276
CWIP					
Total Plant	7,519,281	7,467,946	6,763,358	6,487,107	6,188,897
Number of Employees					
Salaries and Wages					

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1					
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2					
3					
4					
5					
<b>CURRENT AND ACCRUED ASSETS</b>					
6					
7					
8					
23					
10					
11					
12					
13					
<b>DEFERRED DEBITS</b>					
14					
15					
16					
17					
18					
<b>PROPRIETARY CAPITAL</b>					
19					
20					
21					
22					
23					
24					
<b>LONG-TERM DEBT</b>					
25					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26					
27					
28					
29					
30					
31					
32					
33					
34					
<b>DEFERRED CREDITS</b>					
35					
36					
37					
38					
39					
<b>OPERATING RESERVES</b>					
40					
41					

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31,**

<b>UTILITY OPERATING INCOME</b>	
Operating Revenues	1
Operating Expense:	
Operation Expense	2
Maintenance Expense	3
Depreciation and Amortization Expense	4
Taxes Other than Income Taxes	5
Income Taxes	6
Total Operating Expenses	7
Net Operating Revenues	8
Other Utility Operating Income	9
<b>Total Utility Operating Income</b>	<b>10</b>
<b>OTHER INCOME</b>	
Interest and Dividend Income	11
Allowance for Funds Used During Construction	12
Miscellaneous Nonoperating Income	13
Other Income	14
Total Other Income	15
Other Income Deductions	16
Taxes-Other Income and Deductions	17
<b>Income Available</b>	<b>18</b>
<b>INTEREST CHARGES</b>	
Interest on Long-Term Debt	19
Interest on Debt to Associated Co.	20
Other Interest Expense	21
Total Interest Charges	22
Income Before Extraordinary Items	23
Extraordinary Items	24
<b>Net Income</b>	<b>25</b>
<hr/>	
<b>RETAINED EARNINGS</b>	
Unappropriated (Beginning)	26
Balance Transferred from Income	27
Appropriated	28
Dividends Declared-Preferred Stock	29
Dividends Declared-Common Stock	30
Adjustments to Retained Earnings	31
Net Change	32
Unappropriated (EOP)	33
Appropriated (EOP)	34
<b>Total Retained Earnings</b>	<b>35</b>

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31**

**Cash Flows From Operating Activities**

- 1 Net Income
- Adjustments to reconcile net income to net cash provided by operating activities:
- 2 Depreciation, Depletion & Amortization
- 3 Deferred Taxes & ITCs
- 4 Receivables and Inventory
- 5 Payables and Accrued Expenses
- 6 Capitalized AFUDC - Equity Funds
- 7 Equity In Loss (Earnings) Of Affiliates
- 8 Other Adjustments
- 9
- 10
- 11 Net Cash From Operating Activities

**Cash Flows From Investing Activities**

- 12 Cash Outflows For Construction
- 13 Acquisition Of Other Non-Current Assets
- 14 Investments In & Advances to Affiliates.
- 15 Contributions & Advances from Affiliates
- Net Proceeds - Sale Or Disposition Of:
- 16 Property, Plant & Equipment
- 17 Investments in Affiliated Companies
- 18 Other Debt & Equity Investments
- 19 Other Non-Current Assets
- 20 Other Cash Flows - Investing Activities
- 21
- 22
- 23 Net Cash From Investing Activities

**Cash Flows From Financing Activities**

- Net Proceeds (Payments) - Issuing & Retiring:
- 24 Long-Term Debt
- 25 Common Stock
- 26 Preferred Stock
- 27 Short-Term Debt
- 28 Dividends Paid
- 29 Other Cash Flows - Financing Activities
- 30
- 31
- 32 Net Cash From Financing Activities
- 33 Net Increase/(Decrease) In Cash Equivalents
- 34 Cash & Cash Equivalents At Beginning Of Year
- 35 Cash & Cash Equivalents At End Of Year

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

**SALES AND CUSTOMER DATA**

<b>REVENUES</b>	
Unmetered Sales to General Customers	1
Metered Sales to General Customers	2
Sales to Other Water Companies	3
Other Sales of Water	4
Total Revenues from Sales of Water	5
Other Water Operating Revenues	6
 Total Water Operating Revenues	 7
<b>WATER SALES (Thousands of Gallons)</b>	
Unmetered Sales to General Customers	8
Metered Sales to General Customers	9
Sales to Other Water Companies	10
Other Sales of Water	11
 Total Sales of Water	 12
<b>AVG CUSTOMERS PER MONTH</b>	
Unmetered Sales to General Customers	13
Metered Sales to General Customers	14
Sales to Other Water Companies	15
Other Sales of Water	16
 Total Customers	 17

**OPERATING REVENUE RELATIONSHIP**

<b>METERED GENERAL CUSTOMERS</b>	
Average Annual Bill per Customer	18
Average Consumption per Customer (T.Gal)	19
Average Revenue per T Gallons Sold	20
<b>UNMETERED GENERAL CUSTOMERS</b>	
Average Annual Bill per Customer	21
Average Consumption per Customer (T.Gal)	22
Average Revenue per T Gallons Sold	23

**OPERATION AND MAINTENANCE EXPENSES**

Source of Supply	24
Power and Pumping	25
Purification	26
Transmission and Distribution	27
Customer Accounting and Collecting	28
Administrative and General	29
 <b>Total O &amp; M Expense</b>	 30

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

1 Revenues

2 Sales (Thousands of Gallons)

**DOLLAR AMOUNTS**

3 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

4 Wages and Benefits

5 Other Operation and Maintenance Expense

6 Depreciation and Amortization Expense

7 Income Taxes-Operating

8 Other Taxes-Operating

9 Capital Costs

10 Total

**PERCENT OF REVENUES**

11 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

12 Wages and Benefits

13 Other Operation and Maintenance Expense

14 Depreciation and Amortization Expense

15 Income Taxes-Operating

16 Other Taxes-Operating

17 Capital Costs

18 Total

**DOLLARS PER THOUSAND GALLONS SOLD**

19 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

20 Wages and Benefits

21 Other Operation and Maintenance Expense

22 Depreciation and Amortization Expense

23 Income Taxes-Operating

24 Other Taxes-Operating

25 Capital Costs

26 Total

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water  
Fuel for Pumping  
Chemicals

Total PW, Fuel and Chemicals

Total - Ultimate Customers

**Wages and Benefits**

Salaries  
Pensions and Benefits  
Total Wages and Benefits

**Other Expenses**

Total O&M Expenses  
-Total PW, Fuel and Chemicals  
-Wages and Benefits  
-Other Gains  
+Other Losses  
-Other Revenues  
Other Expenses

**Depreciation and Amortization**

Depreciation Exp  
Amort of Utility Plant  
Amort of Other Utility Plant  
Amort of Property Losses

Total Depre and Amort

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals  
divided by Total Gallons  
Cost per KWH  
times Sales for Resale MWHs  
Sales for Resale Cost

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS  
FOR THE YEAR ENDED DECEMBER 31,**

**WATER UTILITY PLANT**

<b>Plant in Service</b>	
Intangible	1
Source of Supply	2
Pumping	3
Water Treatment	4
Transmission and Distribution	5
General	6
Purchased or Sold	7
 Total Plant in Service	 8
Plant Leased To Others	9
Construction Work In Progress	10
Plant Held For Future Use	11
Plant Acquisition Adjustments	12
Accum. Gains & Losses - Utility Land & Land Rights	13
 <b>Total Plant</b>	 14
 Accum. Prov. - Depr. & Amort.	 15
 <b>Net Plant</b>	 16

**SELECTED RATIOS AND STATISTICS**

Current Assets / Current Liabilities	17
Total Capitalization	18
<u>Percent Of Capitalization (incl S-T Debt)</u>	
Long-Term Debt	19
Preferred Stock	20
Common Stock & Retained Earnings	21
Short-Term Debt	22
Pretax Coverage of Interest Expense	23
Com. Stock Dividends as a % of Earnings	24
Return on Common Equity	25
Internal Cash Generated as a % of Cash Outflows for Construction	26
CWIP as a % of Plant	27
Number of Employees	28

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE BALANCE SHEET**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$92,998,336	\$82,538,799	\$76,855,843	\$66,403,077	\$62,439,796
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	63,368	63,368	63,368	63,368	63,367
3 Other Investments			4,594,000		
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	63,368	63,368	4,657,368	63,368	63,367
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	465,472	448,239	441,315	467,209	174,689
7 Notes and Accounts Receivables - Net	4,061,781	4,831,635	6,049,507	3,065,283	3,236,666
8 Receivables from Associated Companies	-	-			
23 Materials and Supplies	491,414	516,420	593,848	546,909	580,502
10 Prepayments	592,064	584,473	539,960	555,877	576,649
11 Accrued Utility Revenue	3,873,634	4,031,711	3,542,439	3,607,300	3,589,905
12 Misc Current and Accrued Assets	198,659	154,772	507,589		
13 Total Current and Accrued Assets	9,683,024	10,567,251	11,674,657	8,242,578	8,158,411
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	2,125,749	2,228,166	2,274,037	1,170,196	1,230,527
15 Other Deferred Debits	2,243,974	7,141,048	1,776,307	1,950,162	2,086,802
16 Accumulated Deferred Income Taxes	6,871,224	6,927,931	6,975,194	6,816,006	6,730,020
17 Total Deferred Debits	11,240,947	16,297,145	11,025,539	9,936,364	10,047,349
18 <b>Total Assets and Other Debits</b>	<b>\$113,985,675</b>	<b>\$109,466,563</b>	<b>\$104,213,407</b>	<b>\$84,645,387</b>	<b>\$80,708,923</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
20 Preferred Stock Issued	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
21 Other Paid-in Capital	10,500,000				
22 Retained Earnings	16,454,836	17,310,000	18,075,289	18,334,269	17,778,920
23 Reacquired Capital Stock					
24 Total Proprietary Capital	38,079,836	28,435,000	29,200,289	29,459,269	28,903,920
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	38,930,000	38,930,000	38,930,000	22,930,000	22,930,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	60,369	7,179,180	13,315,548	12,525,121	8,736,975
27 Accounts Payable	547,437	1,595,939	2,643,034	802,999	464,286
28 Payables to Associated Companies	656,811	144,560	717,040	723,872	76,548
29 Customer Deposits		3,767	3,792	3,792	3,792
30 Taxes Accrued	2,322,115	142,016	61,970	268,662	23,345
31 Interest Accrued	557,845	546,057	487,257	356,591	341,078
32 Matured Long-Term Debt			12,656	13,609	
33 Misc Current and Accrued Liabilities	1,343,637	1,771,579	2,538,241	1,740,893	1,192,401
34 Total Current and Accrued Liabilities	5,488,214	11,383,098	19,779,538	16,435,539	10,838,425
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	109,553	44,553	18,953	66,751	81,051
36 Other Deferred Credits	11,592,615	12,863,618	(623,286)	2,008,336	5,405,818
37 Accumulated Deferred Investment Tax Credits	328,822	343,822	358,822	373,822	388,822
38 Accumulated Deferred Income Taxes	19,456,635	17,466,472	16,549,091	13,371,670	12,160,838
39 Total Deferred Credits	31,487,625	30,718,465	16,303,580	15,820,578	18,036,529
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$113,985,675</b>	<b>\$109,466,563</b>	<b>\$104,213,407</b>	<b>\$84,645,386</b>	<b>\$80,708,874</b>

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY OPERATING INCOME</b>					
Operating Revenues	\$39,587,326	\$40,521,137	\$37,564,640	\$36,261,005	\$35,786,146
Operating Expense:					
Operation Expense	17,482,305	15,826,316	15,207,756	13,019,125	12,332,330
Maintenance Expense	3,096,332	2,706,451	2,710,050	2,372,185	2,771,363
Depreciation and Amortization Expense	2,654,965	1,846,032	1,911,473	1,803,402	1,660,060
Taxes Other than Income Taxes	12,774,373	15,088,367	15,268,328	14,163,422	13,526,751
Income Taxes	(550,519)	827,450	279,723	1,292,202	1,377,100
Total Operating Expenses	35,457,456	36,294,616	35,377,330	32,650,336	31,667,604
Net Operating Revenues	4,129,870	4,226,521	2,187,310	3,610,669	4,118,542
Other Utility Operating Income					
<b>Total Utility Operating Income</b>	4,129,870	4,226,521	2,187,310	3,610,669	4,118,542
<b>OTHER INCOME</b>					
Interest and Dividend Income	269,802	47,072			
Allowance for Funds Used During Construction	76,139	413,794	472,095	250,270	174,154
Miscellaneous Nonoperating Income			(48,954)	(21,117)	(9,611)
Other Income	883,558	(9,581)			
Total Other Income	1,229,499	451,284	423,141	229,153	164,543
Other Income Deductions			44,279	43,728	44,394
Taxes-Other Income and Deductions	82,004	147,316	88,861	49,119	32,349
<b>Income Available</b>	5,277,365	4,530,489	2,477,311	3,746,975	4,206,342
<b>INTEREST CHARGES</b>					
Interest on Long-Term Debt	2,390,929	2,378,411	1,696,352	1,553,056	1,555,185
Interest on Debt to Associated Co.					
Other Interest Expense	3,694,131	565,078	264,813	123,195	170,260
Total Interest Charges	6,085,060	2,943,489	1,961,166	1,676,251	1,725,445
Income Before Extraordinary Items	(807,695)	1,587,000	516,145	2,070,724	2,480,897
Net Extraordinary Items					
<b>Net Income</b>	(\$807,695)	\$1,587,000	\$516,145	\$2,070,724	\$2,480,897
<hr/>					
<b>RETAINED EARNINGS</b>					
Unappropriated (Beginning)	\$17,310,000	\$17,787,238	\$18,334,269	\$17,778,920	\$17,641,397
Balance Transferred from Income Appropriated	(807,695)	1,587,000	516,145	2,070,724	2,480,897
Dividends Declared-Preferred Stock	50,484	50,625	50,625	50,625	50,625
Dividends Declared-Common Stock		2,013,753	724,500	1,464,750	2,292,749
Adjustments to Retained Earnings	3,015	140			
Net Change	(855,164)	(477,238)	(258,980)	555,349	137,523
Unappropriated (EOP)	16,454,836	17,310,000	18,075,289	18,334,269	17,778,920
Appropriated (EOP)					
<b>Total Retained Earnings</b>	\$16,454,836	\$17,310,000	\$18,075,289	\$18,334,269	\$17,778,920

**LONG ISLAND WATER CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	(\$807,695)	\$1,587,000	\$516,145	\$2,070,724	\$2,480,897
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	3,247,000	2,522,000	1,911,473	2,018,000	1,887,000
3 Deferred Taxes & ITCs	(332,000)	1,349,000	3,444,000	1,211,000	1,304,000
4 Receivables and Inventory	549,000	796,000	251,000	229,000	265,000
5 Payables and Accrued Expenses	(1,049,000)	(2,342,000)	1,830,000	1,111,000	1,153,000
6 Capitalized AFUDC - Equity Funds	(54,000)	(297,000)	(340,000)	(180,000)	(133,000)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	3,138,000	6,315,000	(5,536,512)	(3,112,724)	(1,256,897)
9	439,000	(76)		14,520	509
10	(460,072)				
11 Net Cash From Operating Activities	<u>4,670,233</u>	<u>9,929,924</u>	<u>2,076,106</u>	<u>3,361,520</u>	<u>5,700,509</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(7,989,000)	(7,378,000)	(12,327,000)	(5,839,000)	(5,826,000)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities	54,000	(171,000)			
21	(30,000)	4,594,000	(4,594,000)		
22	65,000				
23 Net Cash From Investing Activities	<u>(7,900,000)</u>	<u>(2,955,000)</u>	<u>(16,921,000)</u>	<u>(5,839,000)</u>	<u>(5,826,000)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt		(56,000)	16,000,000		(70,000)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt			820,000	4,300,000	2,735,000
28 Dividends Paid	(51,000)	(2,065,000)	(776,000)	(1,516,000)	(2,343,000)
29 Other Cash Flows - Financing Activities	10,500,000	(4,847,000)	(48,000)	(14,000)	(23,000)
30	(7,202,000)		(1,177,000)		
31					
32 Net Cash From Financing Activities	<u>3,247,000</u>	<u>(6,968,000)</u>	<u>14,819,000</u>	<u>2,770,000</u>	<u>299,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	17,233	6,924	(25,894)	292,520	173,509
34 Cash & Cash Equivalents At Beginning Of Year	448,239	441,315	467,209	174,689	1,180
35 Cash & Cash Equivalents At End Of Year	\$465,472	\$448,239	\$441,315	\$467,209	\$174,689

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>SALES AND CUSTOMER DATA</b>					
<b>REVENUES</b>					
Sales to General Customers	\$29,486,946	\$30,453,005	\$33,432,861	\$32,169,438	\$31,435,867
Sales to Other Water Companies	5,290,637	5,549,807	985,840	949,119	1,048,067
Other Sales of Water	3,129,886	3,112,439	2,800,140	2,840,384	2,957,887
Total Revenues from Sales of Water	37,907,469	39,115,251	37,218,841	35,958,941	35,441,821
Other Water Operating Revenues	1,679,858	1,405,886	345,799	302,064	344,325
 Total Water Operating Revenues	 \$39,587,327	 \$40,521,137	 \$37,564,640	 \$36,261,005	 \$35,786,146
 <b>WATER SALES (Thousands of Gallons)</b>					
Sales to General Customers	8,211,236	9,539,089	8,783,973	8,077,628	9,986,350
Sales to Other Water Companies	1,805,621	357,289	377,893	361,652	
Other Sales of Water					
 Total Sales of Water	 10,016,857	 9,896,378	 9,161,865	 8,439,280	 9,986,350
 <b>AVG CUSTOMERS PER MONTH</b>					
Sales to General Customers	67,508	72,482	73,178	72,518	72,871
Sales to Other Water Companies	4,974	343	344	339	
Other Sales of Water	1,013	675	709	709	706
 Total Customers	 73,495	 73,500	 74,231	 73,566	 73,577
 <b>OPERATING REVENUE RELATIONSHIP</b>					
<b>METERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	\$436.79	\$453.28	\$456.87	\$443.61	\$431.39
Average Consumption per Customer (T.Gal)	121.63	115.51	120.04	111.39	137.04
Average Revenue per T Gallons Sold	\$3.59	\$3.92	\$3.81	\$3.98	\$3.15
 <b>UNMETERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	---	---	---	---	---
Average Consumption per Customer (T.Gal)	---	---	---	---	---
Average Revenue per T Gallons Sold	---	---	---	---	---
 <b>OPERATION AND MAINTENANCE EXPENSES</b>					
Source of Supply	\$247,612	\$207,762	\$216,831	\$208,769	\$226,340
Power and Pumping	4,132,691	3,415,365	3,143,087	2,873,731	3,200,951
Purification	1,755,707	2,206,011	1,303,263	1,176,633	1,317,652
Transmission and Distribution	3,175,275	2,757,993	2,942,453	2,641,518	2,868,628
Customer Accounting and Collecting	1,105,489	1,209,524	1,202,526	1,212,175	1,340,579
Administrative and General	10,161,862	8,736,585	9,109,646	7,278,484	6,149,543
 Total O & M Expense	 \$20,578,636	 \$18,533,240	 \$17,917,805	 \$15,391,310	 \$15,103,693

**LONG ISLAND WATER CORPORATION  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$39,587,327	\$40,521,137	\$37,564,640	\$36,261,005	\$35,786,146
2 Sales (Thousands of Gallons)	10,016,857	9,896,378	9,161,865	8,439,280	9,986,350
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$3,104,948	\$2,293,844	\$2,293,844	\$2,041,281	\$2,115,135
4 Wages and Benefits	7,513,230	7,706,801	7,706,801	7,297,703	6,648,017
5 Other Operation and Maintenance Expense	9,960,459	7,917,160	7,917,160	6,052,326	6,340,541
6 Depreciation and Amortization Expense	2,654,965	1,846,032	1,911,473	1,803,402	1,660,060
7 Income Taxes-Operating	(550,519)	827,450	279,723	1,292,202	1,377,100
8 Other Taxes-Operating	12,774,373	15,088,367	15,268,328	14,163,422	13,526,751
9 Capital Costs	4,129,871	4,841,483	2,187,310	3,610,669	4,118,542
10 Total	\$39,587,327	\$40,521,137	\$37,564,640	\$36,261,005	\$35,786,146
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.8	5.7	6.1	5.6	5.9
12 Wages and Benefits	19.0	19.0	20.5	20.1	18.6
13 Other Operation and Maintenance Expense	25.2	19.5	21.1	16.7	17.7
14 Depreciation and Amortization Expense	6.7	4.6	5.1	5.0	4.6
15 Income Taxes-Operating	(1.4)	2.0	0.7	3.6	3.8
16 Other Taxes-Operating	32.3	37.2	40.6	39.1	37.8
17 Capital Costs	10.4	11.9	5.8	10.0	11.5
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.31	0.23	0.25	0.24	0.21
20 Wages and Benefits	0.75	0.78	0.84	0.86	0.67
21 Other Operation and Maintenance Expense	0.99	0.80	0.86	0.72	0.63
22 Depreciation and Amortization Expense	0.27	0.19	0.21	0.21	0.17
23 Income Taxes-Operating	-0.05	0.08	0.03	0.15	0.14
24 Other Taxes-Operating	1.28	1.52	1.67	1.68	1.35
25 Capital Costs	0.41	0.49	0.24	0.43	0.41
26 Total	3.95	4.09	4.10	4.30	3.58

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water					
Fuel for Pumping	2,421,348	2,052,195	1,790,714	1,560,823	1,580,045
Chemicals	683,601	606,355	503,130	480,458	535,090
Total PW, Fuel and Chemicals	3,104,948	2,658,550	2,293,844	2,041,281	2,115,135

Total - Ultimate Customers

**Wages and Benefits**

Salaries	5,312,192	5,252,872	5,346,351	5,080,598	5,264,841
Pensions and Benefits	2,201,038	2,139,618	2,360,450	2,217,105	1,383,176
Total Wages and Benefits	7,513,230	7,392,490	7,706,801	7,297,703	6,648,017

**Other Expenses**

Total O&M Expenses	20,578,637	18,533,240	17,917,805	15,391,310	15,103,693
-Total PW, Fuel and Chemicals	3,104,948	2,658,550	2,293,844	2,041,281	2,115,135
-Wages and Benefits	7,513,230	7,392,490	7,706,801	7,297,703	6,648,017
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	9,960,459	8,482,200	7,917,160	6,052,326	6,340,541

**Depreciation and Amortization**

Depreciation Exp	2,654,965	1,846,032	1,911,473	1,803,402	1,660,060
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	2,654,965	1,846,032	1,911,473	1,803,402	1,660,060

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	3,104,948	2,658,550	2,293,844	2,041,281	2,115,135
divided by Total Gallons	10,016,857	9,896,378	9,161,865	8,439,280	9,986,350
Cost per KWH	0.0003	0.0003	0.0003	0.0002	0.0002
times Sales for Resale MWHs					
Sales for Resale Cost					

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>WATER UTILITY PLANT</b>					
<b>Plant in Service</b>					
Intangible	\$257,232	\$669	\$669	\$669	\$669
Source of Supply	6,203,914	6,048,910	6,048,910	5,865,773	5,865,773
Pumping	9,598,830	9,125,446	8,501,927	8,134,571	7,349,353
Water Treatment	18,004,952	16,986,761	8,980,411	8,460,814	8,445,737
Transmission and Distribution	82,479,365	76,582,103	68,880,969	65,016,856	61,990,135
General	7,901,319	7,884,844	7,440,361	6,973,986	6,682,538
Purchased or Sold					
Total Plant in Service	124,445,612	116,628,733	99,853,247	94,452,669	90,334,205
Plant Leased To Others					
Construction Work In Progress	797,233	1,256,367	10,646,483	3,866,555	2,303,066
Plant Held For Future Use	110,933	110,933	110,933	110,933	110,933
Plant Acquisition Adjustments	885,558	885,558	885,558	885,558	88,556
Accum. Gains & Losses - Utility Land & Land Rights					
<b>Total Plant</b>	126,239,336	118,881,591	111,496,221	99,315,715	92,836,760
Accum. Prov. - Depr. & Amort.	33,241,000	31,338,447	34,640,378	32,912,638	30,396,963
<b>Net Plant</b>	\$92,998,336	\$87,543,144	\$76,855,843	\$66,403,077	\$62,439,797

### SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	1.76	0.94	0.59	0.50	0.75
Total Capitalization	\$77,070,205	\$74,670,267	\$81,445,837	\$64,914,390	\$60,570,895
<u>Percent Of Capitalization (incl S-T Debt)</u>					
Long-Term Debt	50.5%	52.1%	47.8%	35.3%	37.9%
Preferred Stock	1.5%	1.5%	1.4%	1.7%	1.9%
Common Stock & Retained Earnings	47.9%	36.7%	34.5%	43.6%	45.9%
Short-Term Debt	0.1%	9.6%	16.3%	19.3%	14.4%
Pretax Coverage of Interest Expense	0.8	1.9	1.4	3.0	3.2
Com. Stock Dividends as a % of Earnings	-5.9%	124.2%	155.6%	72.5%	94.3%
Return on Common Equity	-2.7%	6.0%	1.7%	7.2%	8.8%
Internal Cash Generated as a % of Cash Outflows for Construction	-58.5%	-134.6%	-16.8%	-57.6%	-97.8%
CWIP as a % of Plant	0.6%	1.1%	9.5%	3.9%	2.5%
Number of Employees	89	95	123	99	106

Current Assets	9,683,024	10,627,250	11,674,657	8,242,578	8,158,411
Current Liabilities	5,488,215	11,318,711	19,779,538	16,435,539	10,838,425
Total Capitalization	77,070,205	74,670,267	81,445,837	64,914,390	60,570,895
Long-Term Debt	38,930,000	38,930,000	38,930,000	22,930,000	22,930,000
Preferred Stock	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	36,954,836	27,436,087	28,075,289	28,334,269	27,778,920
Short-Term Debt	60,369	7,179,180	13,315,548	12,525,121	8,736,975
Pretax Income	4,726,846	5,516,466	2,757,034	5,039,177	5,583,442
Interest Expense	6,085,060	2,943,489	1,961,166	1,676,251	1,725,445
Dividends Paid	51,000	2,065,000	724,500	1,464,750	2,292,749
Net Income (Excl. Preferred Stock Dividends)	(858,179)	1,662,602	465,520	2,020,099	2,430,272
Internal Cash	4,670,233	9,929,227	2,076,106	3,361,520	5,700,509
Cash Outflows for Construction	(7,989,000)	(7,377,000)	(12,327,000)	(5,839,000)	(5,826,000)
CWIP	797,233	1,256,367	10,646,483	3,866,555	2,303,066
Total Plant	126,239,336	118,839,592	111,496,221	99,315,715	92,836,760
Number of Employees	89	95	123	99	106
Salaries and Wages					

**NEW YORK-AMERICAN WATER COMPANY**  
**COMPARATIVE BALANCE SHEET**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$27,567,795	\$26,572,273	\$25,338,523	\$24,234,769	\$23,949,387
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	239,001	239,001	239,001	239,001	239,000
3 Other Investments	-				
4 Sinking Funds and Other Special Funds	-				
5 Total Other Property and Investments	239,001	239,001	239,001	239,001	239,000
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents					
7 Notes and Accounts Receivables - Net	748,065	618,625	684,931	827,087	802,822
8 Receivables from Associated Companies	-	7,250		22,911	17,666
9 Materials and Supplies	193,582	330,651	394,361	250,793	126,874
10 Prepayments	242,198	232,643	318,450	310,940	281,954
11 Accrued Utility Revenue	1,292,569	1,414,172	1,162,439	1,289,890	1,292,387
12 Misc Current and Accrued Assets	-				
13 Total Current and Accrued Assets	2,476,413	2,603,341	2,560,181	2,701,621	2,521,703
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	81,095	91,953	102,811	129,733	160,386
15 Other Deferred Debits	2,548,779	1,931,084	1,669,132	1,758,822	1,594,449
16 Accumulated Deferred Income Taxes	-				
17 Total Deferred Debits	2,629,874	2,023,037	1,771,943	1,888,555	1,754,835
18 <b>Total Assets and Other Debits</b>	<b>\$32,913,083</b>	<b>\$31,437,652</b>	<b>\$29,909,648</b>	<b>\$29,063,946</b>	<b>\$28,464,925</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	1,685,000	1,685,000	\$1,685,000	\$1,685,000	\$1,685,000
20 Preferred Stock Issued	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
21 Other Paid-in Capital	6,400,000	6,400,000	6,400,000	3,300,000	5,090,982
22 Retained Earnings	3,601,505	3,308,151	2,629,590	2,552,791	469,580
23 Reacquired Capital Stock	-				
24 Total Proprietary Capital	12,686,505	12,393,151	11,714,590	8,537,791	8,245,562
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	2,000,000	2,250,000	2,500,000	4,700,000	8,200,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	234,763	474,560	211,530	321,584	316,139
28 Payables to Associated Companies	11,016,247	10,100,000	7,459,582	9,400,000	5,800,000
29 Customer Deposits	-	150	150		
30 Taxes Accrued	144,607	9,016	6,075	23,710	
31 Interest Accrued	36,875	36,875	112,225	112,225	201,942
32 Matured Long-Term Debt	250,000	250,000	2,200,000		
33 Misc Current and Accrued Liabilities	67,549	39,195	32,690	290,248	487,192
34 Total Current and Accrued Liabilities	11,750,041	10,909,796	10,022,252	10,147,767	6,805,273
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	1,173,164	1,217,798	1,268,836	1,218,899	1,182,658
36 Other Deferred Credits	1,450,420	835,180	791,139	940,242	654,468
37 Accumulated Deferred Investment Tax Credits	84,549	86,653	88,757	90,861	92,965
38 Accumulated Deferred Income Taxes	3,768,404	3,745,074	3,524,074	3,428,386	3,284,000
39 Total Deferred Credits	6,476,537	5,884,705	5,672,806	5,678,388	5,214,091
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$32,913,083</b>	<b>\$31,437,652</b>	<b>\$29,909,648</b>	<b>\$29,063,946</b>	<b>\$28,464,926</b>

**NEW YORK-AMERICAN WATER COMPANY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$11,536,291	\$11,411,989	\$10,376,589	\$10,307,015	\$10,768,383	1
Operating Expense:						
Operation Expense	5,803,092	5,504,266	5,204,296	4,902,814	5,860,024	2
Maintenance Expense	377,757	377,094	284,150	354,803	410,413	3
Depreciation and Amortization Expense	588,619	589,632	575,695	556,558	555,318	4
Taxes Other than Income Taxes	1,516,519	1,774,272	2,393,836	2,363,674	2,469,184	5
Income Taxes	1,034,497	1,062,477	583,657	712,305	442,886	6
Total Operating Expenses	9,320,483	9,307,741	9,041,634	8,890,154	9,737,825	7
Net Operating Revenues	2,215,808	2,104,249	1,334,955	1,416,861	1,030,558	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	2,215,808	2,104,249	1,334,955	1,416,861	1,030,558	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	2,739	3,433	14,226	5,226		11
Allowance for Funds Used During Construction	15,714	28,016	14,449	4,008	27,805	12
Miscellaneous Nonoperating Income			90,330		(735,933)	13
Other Income	39,052	8,547	104,649	53,683	61,392	14
Total Other Income	57,504	39,996	223,654	62,917	(646,736)	15
Other Income Deductions	6,302	2,305	2,305	2,305	2,405	16
Taxes-Other Income and Deductions	20,500	15,100	88,500	24,200	(259,700)	17
<b>Income Available</b>	2,246,510	2,126,840	1,467,804	1,453,273	641,117	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	229,804	229,804	396,567	445,157	780,393	19
Interest on Debt to Associated Co.	536,273	348,047	153,153	93,867	54,932	20
Other Interest Expense	1,380	28,631	4,704	2,750	20,958	21
Total Interest Charges	767,456	606,481	554,424	541,774	856,283	22
Income Before Extraordinary Items	1,479,054	1,520,358	913,380	911,499	(215,166)	23
Net Extraordinary Items						24
<b>Net Income</b>	\$1,479,054	\$1,520,358	\$913,380	\$911,499	(\$215,166)	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$3,308,151	\$2,629,590	\$2,552,789	\$469,578	\$3,041,245	26
Balance Transferred from Income	1,479,054	1,520,358	913,380	911,499	(215,166)	27
Appropriated						28
Dividends Declared-Preferred Stock	76,700	76,692	76,697	76,700	76,700	29
Dividends Declared-Common Stock	1,109,000	765,106	759,884	542,570	488,819	30
Adjustments to Retained Earnings				1,790,982	(1,790,982)	31
Net Change	293,354	678,561	76,799	2,083,211	(2,571,667)	32
Unappropriated (EOP)	3,601,505	3,308,151	2,629,588	2,552,789	469,578	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$3,601,505	\$3,308,151	\$2,629,588	\$2,552,789	\$469,578	35

**NEW YORK-AMERICAN WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$1,479,054	\$1,520,358	\$913,380	\$911,499	(\$215,166)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	721,080	349,258	789,797	661,560	708,658
3 Deferred Taxes & ITCs	21,226	218,896	93,584	142,282	(138,574)
4 Receivables and Inventory	7,589	130,016	21,499	(153,429)	244,042
5 Payables and Accrued Expenses	539,388	240,675	(534,347)	28,268	(23,000)
6 Capitalized AFUDC - Equity Funds	15,714	(28,016)	(14,449)	4,008	(27,805)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments					(17,672)
9 Accounts Payable	122,580	(91,034)	235,447	(123,869)	(94,123)
10 Other Current Liabilities	(726,342)	(151,951)	(153,267)	(141,342)	542,707
11 Net Cash From Operating Activities	<u>2,180,289</u>	<u>2,188,202</u>	<u>1,351,644</u>	<u>1,328,977</u>	<u>979,067</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(1,644,589)	(1,846,404)	(1,615,063)	(801,691)	(491,095)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates			3,100,000		
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(1,644,589)</u>	<u>(1,846,404)</u>	<u>1,484,937</u>	<u>(801,691)</u>	<u>(491,095)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	(250,000)	(2,200,000)		(3,500,000)	(3,000,000)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					2,906,497
28 Dividends Paid	(1,185,700)	(841,798)	(836,581)	(619,270)	(565,519)
29 Other Cash Flows - Financing Activities	900,000	2,700,000	(2,000,000)	3,600,000	105,706
30				(8,016)	
31					
32 Net Cash From Financing Activities	<u>(535,700)</u>	<u>(341,798)</u>	<u>(2,836,581)</u>	<u>(527,286)</u>	<u>(553,316)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(0)	0			(65,344)
34 Cash & Cash Equivalents At Beginning Of Yea	0	0	0	0	65,344
35 Cash & Cash Equivalents At End Of Year	\$0	\$0	\$0	\$0	\$0

**NEW YORK-AMERICAN WATER COMPANY**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$10,233,939	\$10,058,066	\$9,073,344	\$9,124,591	\$9,526,581	1
Sales to Other Water Companies						2
Other Sales of Water	1,302,353	1,352,865	1,303,245	1,182,421	1,241,993	3
Total Revenues from Sales of Water	11,536,291	11,410,931	10,376,589	10,307,012	10,768,574	4
Other Water Operating Revenues		1,059			(191)	5
Total Water Operating Revenues	\$11,536,291	\$11,411,990	\$10,376,589	\$10,307,012	\$10,768,383	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	2,001,444	2,024,742	1,953,405	1,925,721	1,974,582	8
Sales to Other Water Companies						9
Other Sales of Water	113,421	132,951	102,478	98,369	102,592	10
Total Sales of Water	2,114,865	2,157,693	2,055,883	2,024,090	2,077,174	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	12,160	11,849	11,831	11,718	11,969	13
Sales to Other Water Companies						14
Other Sales of Water	108	401	383	361	94	15
Total Customers	12,268	12,250	12,214	12,079	12,063	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$841.61	\$848.85	\$766.91	\$778.68	\$795.94	18
Average Consumption per Customer (T.Gal)	164.59	170.88	165.11	164.34	164.97	19
Average Revenue per T Gallons Sold	\$5.11	\$4.97	\$4.64	\$4.74	\$4.82	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$4,201,923	\$3,734,719	\$3,147,413	\$3,128,573	\$3,134,682	24
Power and Pumping	64,632	69,515	58,087	39,865	59,947	25
Purification	114,247	165,063	47,398	42,752	28,531	26
Transmission and Distribution	651,362	707,839	672,921	744,550	688,656	27
Customer Accounting and Collecting	253,057	233,963	520,476	193,923	500,383	28
Administrative and General	895,628	970,261	1,042,151	1,107,954	1,858,238	29
<b>Total O &amp; M Expense</b>	<b>\$6,180,849</b>	<b>\$5,881,360</b>	<b>\$5,488,446</b>	<b>\$5,257,617</b>	<b>\$6,270,437</b>	<b>30</b>

**NEW YORK-AMERICAN WATER COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$11,536,291	\$11,411,990	\$10,376,589	\$10,307,012	\$10,768,383
2 Sales (Thousands of Gallons)	2,114,865	2,157,693	2,055,883	2,024,090	2,077,174
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$4,224,062	\$3,769,535	\$3,182,799	\$3,154,053	\$3,153,865
4 Wages and Benefits	602,652	747,396	1,372,729	1,021,840	958,103
5 Other Operation and Maintenance Expense	1,354,134	1,364,429	932,918	1,081,724	2,158,469
6 Depreciation and Amortization Expense	588,619	589,632	575,695	556,558	555,318
7 Income Taxes-Operating	1,034,497	1,062,477	583,657	712,305	442,886
8 Other Taxes-Operating	1,516,519	1,774,272	2,393,836	2,363,674	2,469,184
9 Capital Costs	2,215,808	2,104,249	1,334,955	1,416,858	1,030,558
10 Total	\$11,536,291	\$11,411,990	\$10,376,589	\$10,307,012	\$10,768,383
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	36.6	33.0	30.7	30.6	29.3
12 Wages and Benefits	5.2	6.5	13.2	9.9	8.9
13 Other Operation and Maintenance Expense	11.7	12.0	9.0	10.5	20.0
14 Depreciation and Amortization Expense	5.1	5.2	5.5	5.4	5.2
15 Income Taxes-Operating	9.0	9.3	5.6	6.9	4.1
16 Other Taxes-Operating	13.1	15.5	23.1	22.9	22.9
17 Capital Costs	19.2	18.4	12.9	13.7	9.6
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	2.00	1.75	1.55	1.56	1.52
20 Wages and Benefits	0.28	0.35	0.67	0.50	0.46
21 Other Operation and Maintenance Expense	0.64	0.63	0.45	0.53	1.04
22 Depreciation and Amortization Expense	0.28	0.27	0.28	0.27	0.27
23 Income Taxes-Operating	0.49	0.49	0.28	0.35	0.21
24 Other Taxes-Operating	0.72	0.82	1.16	1.17	1.19
25 Capital Costs	1.05	0.98	0.65	0.70	0.50
26 Total	5.45	5.29	5.05	5.09	5.18

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water	4,193,876	3,733,745	3,147,009	3,121,980	3,113,475
Fuel for Pumping	30,187	35,790	35,790	32,073	40,390
Chemicals					

Total PW, Fuel and Chemicals 4,224,062 3,769,535 3,182,799 3,154,053 3,153,865

Total - Ultimate Customers 4,224,062 3,769,535 3,182,799 3,154,053 3,153,865

**Wages and Benefits**

Salaries	352,111	496,359	1,034,149	715,506	459,795
Pensions and Benefits	250,541	251,037	338,580	306,334	498,308
Total Wages and Benefits	602,652	747,396	1,372,729	1,021,840	958,103

**Other Expenses**

Total O&M Expenses	6,180,849	5,881,360	5,488,446	5,257,617	6,270,437
-Total PW, Fuel and Chemicals	4,224,062	3,769,535	3,182,799	3,154,053	3,153,865
-Wages and Benefits	602,652	747,396	1,372,729	1,021,840	958,103
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	1,354,134	1,364,429	932,918	1,081,724	2,158,469

**Depreciation and Amortization**

Depreciation Exp	588,619	589,632	575,695	556,558	555,318
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	588,619	589,632	575,695	556,558	555,318

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	4,224,062	3,769,535	3,182,799	3,154,053	3,153,865
divided by Total Gallons	2,114,865	2,157,693	2,055,883	2,024,090	2,077,174
Cost per KWH	0.0020	0.0017	0.0015	0.0016	0.0015
times Sales for Resale MWHs					
Sales for Resale Cost					

**NEW YORK-AMERICAN WATER COMPANY**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible						1
Source of Supply	\$71,288	\$71,288	\$71,288	\$71,168	\$51,537	2
Pumping	1,390,097	1,367,536	1,353,886	1,351,875	1,318,638	3
Water Treatment						4
Transmission and Distribution	33,284,604	31,608,095	30,622,773	29,049,261	28,002,827	5
General	1,118,017	938,090	1,035,565	1,432,462	1,389,542	6
Purchased or Sold					50,598	7
<b>Total Plant in Service</b>	<b>35,864,006</b>	<b>33,985,009</b>	<b>33,083,512</b>	<b>31,904,766</b>	<b>30,813,142</b>	<b>8</b>
Plant Leased To Others						9
Construction Work In Progress	29,928	455,561	439,196	158,204	426,103	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	<b>35,893,934</b>	<b>34,440,570</b>	<b>33,522,708</b>	<b>32,062,970</b>	<b>31,239,245</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	8,326,139	7,868,297	8,184,185	7,828,201	7,289,858	15
<b>Net Plant</b>	<b>\$27,567,795</b>	<b>\$26,572,273</b>	<b>\$25,338,523</b>	<b>\$24,234,769</b>	<b>\$23,949,387</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.21	0.24	0.26	0.27	0.37	17
Total Capitalization	\$14,936,545	\$14,893,151	\$16,414,590	\$13,237,791	\$16,445,562	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	13.4%	16.8%	15.2%	35.5%	49.9%	19
Preferred Stock	6.7%	6.7%	6.1%	7.6%	6.1%	20
Common Stock & Retained Earnings	78.2%	76.5%	65.3%	56.9%	44.1%	21
Short-Term Debt	1.7%	1.7%	13.4%			22
Pretax Coverage of Interest Expense	4.3	5.3	3.7	4.0	1.3	23
Com. Stock Dividends as a % of Earnings	84.6%	58.3%	100.0%	74.2%	-193.8%	24
Return on Common Equity	12.2%	13.1%	9.2%	11.3%	-3.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	132.6%	121.5%	85.5%	165.8%	210.7%	26
CWIP as a % of Plant	0.1%	1.3%	1.3%	0.5%	1.4%	27
Number of Employees						28

**NEW YORK WATER SERVICE CORP  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$42,056,816	\$37,221,434	\$35,977,858	\$35,961,993	\$35,894,841
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments		1,767,285	3,823,943	7,936,511	11,084,991
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments		1,767,285	3,823,943	7,936,511	11,084,991
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	3,965,470	8,717,834	4,668,711	2,448,021	3,886,051
7 Notes and Accounts Receivables - Net	2,555,353	2,520,856	2,080,238	1,967,186	2,540,084
8 Receivables from Associated Companies				48,758	
9 Materials and Supplies	280,304	339,745	315,764	338,871	318,040
10 Prepayments	1,430,451	580,836	545,358	700,054	776,401
11 Accrued Utility Revenue	1,260,683	1,185,462	1,136,089	1,163,987	1,272,637
12 Misc Current and Accrued Assets		40,082	79,438	138,596	190,367
13 Total Current and Accrued Assets	9,492,261	13,384,815	8,825,598	6,805,473	8,983,580
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	1,425,381	1,511,466	678,928	734,451	798,233
15 Other Deferred Debits	17,199,317	1,699,537	1,272,248	1,368,019	1,263,629
16 Accumulated Deferred Income Taxes		1,129,589	797,356	729,769	899,046
17 Total Deferred Debits	18,624,698	4,340,592	2,748,532	2,832,239	2,960,908
18 <b>Total Assets and Other Debits</b>	<b>\$70,173,775</b>	<b>\$56,714,126</b>	<b>\$51,375,931</b>	<b>\$53,536,216</b>	<b>\$58,924,320</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470
20 Preferred Stock Issued					
21 Other Paid-in Capital	1,984,857	1,984,857	1,984,857	1,984,857	1,984,857
22 Retained Earnings	13,626,383	13,210,453	16,648,083	16,894,814	17,363,666
23 Reacquired Capital Stock					
24 Total Proprietary Capital	19,285,710	18,869,780	22,307,410	22,554,141	23,022,993
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	23,460,000	23,460,000	16,230,000	16,470,000	16,710,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	444,362	797,011	475,000	320,774	169,333
28 Payables to Associated Companies		18,000	80,814	48,303	
29 Customer Deposits	30,273	28,813	29,479	50,706	90,760
30 Taxes Accrued	28,000	7,173	(210,892)	(194,182)	1,906,442
31 Interest Accrued	364,881	353,977	325,688	419,302	518,329
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	72,641	216,455	201,452	175,605	137,976
34 Total Current and Accrued Liabilities	940,157	1,421,429	901,541	820,508	2,822,840
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction					
36 Other Deferred Credits	14,245,991	5,195,530	4,256,801	6,323,235	9,819,358
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes	11,993,180	7,611,180	7,551,718	7,149,001	6,362,701
39 Total Deferred Credits	26,239,171	12,806,710	11,808,519	13,472,236	16,182,059
<b>OPERATING RESERVES</b>					
40 Operating Reserves	248,737	156,207	128,461	219,331	186,428
41 <b>Total Liabilities and Other Credits</b>	<b>\$70,173,775</b>	<b>\$56,714,126</b>	<b>\$51,375,931</b>	<b>\$53,536,216</b>	<b>\$58,924,320</b>

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY OPERATING INCOME</b>					
Operating Revenues	\$22,701,869	\$21,772,713	\$21,274,910	\$21,159,896	\$20,784,168
Operating Expense:					
Operation Expense	9,206,400	9,041,460	8,810,330	8,338,285	7,915,362
Maintenance Expense	1,363,071	1,291,050	1,375,446	1,233,355	1,261,753
Depreciation and Amortization Expense	1,643,481	1,509,999	1,463,668	1,454,088	1,340,018
Taxes Other than Income Taxes	6,483,109	6,098,848	5,907,394	5,929,416	5,912,127
Income Taxes	999,096	1,123,546	1,009,532	1,146,875	1,202,141
Total Operating Expenses	19,695,157	19,064,903	18,566,370	18,102,019	17,631,401
Net Operating Revenues	3,006,712	2,707,810	2,708,540	3,057,877	3,152,767
Other Utility Operating Income					
<b>Total Utility Operating Income</b>	3,006,712	2,707,810	2,708,540	3,057,877	3,152,767
<b>OTHER INCOME</b>					
Interest and Dividend Income	264,164	195,395	244,940	321,998	379,428
Allowance for Funds Used During Construction	117,194	89,697	51,905	72,885	88,930
Miscellaneous Nonoperating Income	180,190	102,325	118,578	671,423	183,707
Other Income	(31,675)	(24,941)	(14,626)	(10,941)	(11,974)
Total Other Income	529,873	362,476	400,797	1,055,365	640,091
Other Income Deductions					9
Taxes-Other Income and Deductions	190,900	131,693	141,208	362,526	225,716
<b>Income Available</b>	3,345,685	2,938,593	2,968,129	3,750,716	3,567,133
<b>INTEREST CHARGES</b>					
Interest on Long-Term Debt	1,393,313	1,253,386	1,260,189	1,292,544	1,340,221
Interest on Debt to Associated Co.					
Other Interest Expense	726	963	12,323	1,298	1,043
Total Interest Charges	1,394,039	1,254,349	1,272,512	1,293,842	1,341,264
Income Before Extraordinary Items	1,951,646	1,684,244	1,695,617	2,456,874	2,225,869
Net Extraordinary Items					
<b>Net Income</b>	\$1,951,646	\$1,684,244	\$1,695,617	\$2,456,874	\$2,225,869
<b>RETAINED EARNINGS</b>					
Unappropriated (Beginning)	\$13,210,453	\$16,648,083	\$16,894,814	\$17,363,666	\$18,270,795
Balance Transferred from Income	1,951,646	1,684,244	1,695,617	2,456,874	2,225,869
Appropriated					
Dividends Declared-Preferred Stock					
Dividends Declared-Common Stock	2,360,000	4,655,000	1,900,000	3,375,000	3,000,000
Adjustments to Retained Earnings	824,284	(466,874)	(42,348)	449,274	(132,998)
Net Change	415,930	(3,437,630)	(246,731)	(468,852)	(907,129)
Unappropriated (EOP)	13,626,383	13,210,453	16,648,083	16,894,814	17,363,666
Appropriated (EOP)					
<b>Total Retained Earnings</b>	\$13,626,383	\$13,210,453	\$16,648,083	\$16,894,814	\$17,363,666

**Notes:**

**NEW YORK WATER SERVICE CORP**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$1,951,646	\$1,684,244	\$1,695,617	\$2,456,874	\$2,225,869
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	1,795,649	1,619,004	1,552,823	1,486,689	1,505,688
3 Deferred Taxes & ITCs	5,511,589	(272,771)	335,130	955,577	268,350
4 Receivables and Inventory	(38,256)	(520,799)	(130,194)	563,255	(397,589)
5 Payables and Accrued Expenses	(481,272)	519,889	81,033	(2,002,332)	1,380,120
6 Capitalized AFUDC - Equity Funds	(117,194)	(89,697)	(51,905)	(72,885)	(89,930)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	8,344,322	(499,409)	(1,811,271)	(3,211,428)	(127,567)
9					
10					
11 Net Cash From Operating Activities	<u>16,966,484</u>	<u>2,440,461</u>	<u>1,671,233</u>	<u>175,750</u>	<u>4,764,941</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(6,361,669)	(2,663,877)	(1,427,628)	(1,448,354)	(3,693,995)
13 Acquisition Of Other Non-Current Assets	(15,588,748)	107,755	46,865	(148,180)	(150,102)
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments	2,273,764	2,056,658	4,112,568	3,148,480	942,944
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(19,676,653)</u>	<u>(499,464)</u>	<u>2,731,805</u>	<u>1,551,946</u>	<u>(2,901,153)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt		7,230,000	(240,000)	(240,000)	(240,000)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid	(2,360,000)	(4,655,000)	(1,900,000)	(3,375,000)	(3,000,000)
29 Other Cash Flows - Financing Activities	317,805	(466,874)	(42,348)	449,274	(132,998)
30					
31					
32 Net Cash From Financing Activities	<u>(2,042,195)</u>	<u>2,108,126</u>	<u>(2,182,348)</u>	<u>(3,165,726)</u>	<u>(3,372,998)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(4,752,364)	4,049,123	2,220,690	(1,438,030)	(1,509,210)
34 Cash & Cash Equivalents At Beginning Of Year	8,717,834	4,668,711	2,448,021	3,886,051	5,395,261
35 Cash & Cash Equivalents At End Of Year	\$3,965,470	\$8,717,834	\$4,668,711	\$2,448,021	\$3,886,051

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>SALES AND CUSTOMER DATA</b>					
<b>REVENUES</b>					
Sales to General Customers	\$19,002,311	\$18,234,928	\$17,861,846	\$17,553,909	\$17,296,489
Sales to Other Water Companies	2,100,246	1,970,607	1,890,349	2,074,520	1,935,525
Other Sales of Water	1,580,132	1,556,359	1,515,350	1,521,097	1,545,655
Total Revenues from Sales of Water	22,682,689	21,761,894	21,267,545	21,149,526	20,777,669
Other Water Operating Revenues	19,180	10,819	7,365	10,370	6,499
Total Water Operating Revenues	\$22,701,869	\$21,772,713	\$21,274,910	\$21,159,896	\$20,784,168
<b>WATER SALES (Thousands of Gallons)</b>					
Sales to General Customers	5,330,973	5,296,093	4,944,594	5,077,781	5,533,080
Sales to Other Water Companies					
Other Sales of Water					
Total Sales of Water	5,330,973	5,296,093	4,944,594	5,077,781	5,533,080
<b>AVG CUSTOMERS PER MONTH</b>					
Sales to General Customers	44,515	44,303	44,876	44,528	44,511
Sales to Other Water Companies					
Other Sales of Water	254	251	246	236	226
Total Customers	44,769	44,554	45,122	44,764	44,737
<b>OPERATING REVENUE RELATIONSHIP</b>					
<b>METERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	\$426.87	\$411.60	\$398.03	\$394.22	\$388.59
Average Consumption per Customer (T.Gal)	119.76	119.54	110.18	114.04	124.31
Average Revenue per T Gallons Sold	\$3.56	\$3.44	\$3.61	\$3.46	\$3.13
<b>UNMETERED GENERAL CUSTOMERS</b>					
Average Annual Bill per Customer	\$1,863.57	---	---	---	---
Average Consumption per Customer (T.Gal)	720.64	---	---	---	---
Average Revenue per T Gallons Sold	\$2.59	---	---	---	---
<b>OPERATION AND MAINTENANCE EXPENSES</b>					
Source of Supply	\$62,337	\$50,084	\$50,676	\$42,676	\$81,267
Power and Pumping	2,052,170	1,898,402	1,615,137	1,391,204	1,462,264
Purification	1,123,811	1,063,827	832,705	833,986	788,407
Transmission and Distribution	1,017,760	1,133,988	1,339,999	1,279,194	1,102,863
Customer Accounting and Collecting	1,447,543	1,316,502	1,299,235	1,338,632	1,419,769
Administrative and General	4,865,850	4,869,707	5,048,024	4,685,948	4,322,545
<b>Total O &amp; M Expense</b>	<b>\$10,569,471</b>	<b>\$10,332,510</b>	<b>\$10,185,776</b>	<b>\$9,571,640</b>	<b>\$9,177,115</b>

**NEW YORK WATER SERVICE CORP  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$22,701,869	\$21,772,713	\$21,274,910	\$21,159,896	\$20,784,168
2 Sales (Thousands of Gallons)	5,330,973	5,296,093	4,944,594	5,077,781	5,533,080
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$2,078,349	\$1,932,593	\$1,466,499	\$1,392,055	\$1,301,370
4 Wages and Benefits	6,204,035	6,319,452	6,543,734	6,274,398	6,112,926
5 Other Operation and Maintenance Expense	2,287,087	2,080,465	2,175,543	1,905,187	1,762,819
6 Depreciation and Amortization Expense	1,643,481	1,509,999	1,463,668	1,454,088	1,340,018
7 Income Taxes-Operating	999,096	1,123,546	1,009,532	1,146,875	1,202,141
8 Other Taxes-Operating	6,483,109	6,098,848	5,907,394	5,929,416	5,912,127
9 Capital Costs	3,006,712	2,707,810	2,708,540	3,057,877	3,152,767
10 Total	\$22,701,869	\$21,772,713	\$21,274,910	\$21,159,896	\$20,784,168
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	9.2	8.9	6.9	6.6	6.3
12 Wages and Benefits	27.3	29.0	30.8	29.7	29.4
13 Other Operation and Maintenance Expense	10.1	9.6	10.2	9.0	8.5
14 Depreciation and Amortization Expense	7.2	6.9	6.9	6.9	6.4
15 Income Taxes-Operating	4.4	5.2	4.7	5.4	5.8
16 Other Taxes-Operating	28.6	28.0	27.8	28.0	28.4
17 Capital Costs	13.2	12.4	12.7	14.5	15.2
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.39	0.36	0.30	0.27	0.24
20 Wages and Benefits	1.16	1.19	1.32	1.24	1.10
21 Other Operation and Maintenance Expense	0.43	0.39	0.44	0.38	0.32
22 Depreciation and Amortization Expense	0.31	0.29	0.30	0.29	0.24
23 Income Taxes-Operating	0.19	0.21	0.20	0.23	0.22
24 Other Taxes-Operating	1.22	1.15	1.19	1.17	1.07
25 Capital Costs	0.56	0.51	0.55	0.60	0.57
26 Total	4.26	4.11	4.30	4.17	3.76

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water					
Fuel for Pumping	1,450,474	1,322,463	1,058,078	1,002,208	957,218
Chemicals	627,875	610,130	408,421	389,847	344,152

Total PW, Fuel and Chemicals	2,078,349	1,932,593	1,466,499	1,392,055	1,301,370
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Total - Ultimate Customers	2,078,349	1,932,593	1,466,499	1,392,055	1,301,370
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**Wages and Benefits**

Salaries	3,396,461	3,540,823	3,750,851	3,656,685	3,580,613
Pensions and Benefits	2,807,574	2,778,629	2,792,883	2,617,713	2,532,313
Total Wages and Benefits	6,204,035	6,319,452	6,543,734	6,274,398	6,112,926

**Other Expenses**

Total O&M Expenses	10,569,471	10,332,510	10,185,776	9,571,640	9,177,115
-Total PW, Fuel and Chemicals	2,078,349	1,932,593	1,466,499	1,392,055	1,301,370
-Wages and Benefits	6,204,035	6,319,452	6,543,734	6,274,398	6,112,926
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	2,287,087	2,080,465	2,175,543	1,905,187	1,762,819

**Depreciation and Amortization**

Depreciation Exp	1,643,481	1,509,999	1,463,668	1,454,088	1,340,018
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					

Total Depre and Amort	1,643,481	1,509,999	1,463,668	1,454,088	1,340,018
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**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	2,078,349	1,932,593	1,466,499	1,392,055	1,301,370
divided by Total Gallons	5,330,973	5,296,093	4,944,594	5,077,781	5,533,080
Cost per KWH	0.0004	0.0004	0.0003	0.0003	0.0002
times Sales for Resale MWHs					
Sales for Resale Cost					

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>WATER UTILITY PLANT</b>					
<b>Plant in Service</b>					
Intangible	\$31,152	\$31,152	\$31,152	\$31,152	\$31,152
Source of Supply	2,056,836	2,035,976	2,035,976	2,035,976	2,035,976
Pumping	14,438,718	13,911,122	13,479,272	13,181,736	13,496,282
Water Treatment	9,931,361	6,343,463	6,342,517	6,230,156	5,944,160
Transmission and Distribution	38,404,436	36,248,304	34,755,008	33,893,892	33,199,648
General	3,618,947	3,421,613	3,037,718	2,996,185	2,840,097
Purchased or Sold					
Total Plant in Service	68,481,450	61,991,630	59,681,643	58,369,097	57,547,315
Plant Leased To Others					
Construction Work In Progress	216,247	310,759	158,323	140,281	425,078
Plant Held For Future Use					
Plant Acquisition Adjustments					
Accum. Gains & Losses - Utility Land & Land Rights					
<b>Total Plant</b>	68,697,697	62,302,389	59,839,966	58,509,378	57,972,393
Accum. Prov. - Depr. & Amort.	26,640,881	25,080,955	23,862,108	22,547,385	22,077,552
	\$42,056,816	\$37,221,434	\$35,977,858	\$35,961,993	\$35,894,841
<b>SELECTED RATIOS AND STATISTICS</b>					
Current Assets / Current Liabilities	10.10	9.42	9.79	8.29	3.18
Total Capitalization	\$42,745,710	\$42,329,780	\$38,537,410	\$39,024,141	\$39,732,993
<u>Percent Of Capitalization (incl S-T Debt)</u>					
Long-Term Debt	54.9%	55.4%	42.1%	42.2%	42.1%
Preferred Stock					
Common Stock & Retained Earnings	45.1%	44.6%	57.9%	57.8%	57.9%
Short-Term Debt					
Pretax Coverage of Interest Expense	3.1	3.2	3.1	3.8	3.6
Com. Stock Dividends as a % of Earnings	120.9%	276.4%	112.1%	137.4%	134.8%
Return on Common Equity	10.2%	8.2%	7.6%	10.8%	9.5%
Internal Cash Generated as a % of Cash Outflows for Construction	266.7%	91.6%	117.1%	12.1%	129.0%
CWIP as a % of Plant	0.3%	0.5%	0.3%	0.2%	0.7%
Number of Employees	59	61	60	62	64

Current Assets	9,492,261.00	13,384,815	8,825,598	6,805,473	8,983,580
Current Liabilities	940,157	1,421,429	901,541	820,508	2,822,840
Total Capitalization	42,745,710	42,329,780	38,537,410	39,024,141	39,732,993
Long-Term Debt	23,460,000	23,460,000	16,230,000	16,470,000	16,710,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	19,285,710	18,869,780	22,307,410	22,554,141	23,022,993
Short-Term Debt					
Pretax Income	4,344,781	4,062,139	3,977,661	4,897,591	4,769,283
Interest Expense	1,394,039	1,254,349	1,272,512	1,293,842	1,341,264
Dividends Paid	2,360,000	4,655,000	1,900,000	3,375,000	3,000,000
Net Income (Excl. Preferred Stock Dividends)	1,951,646	1,684,244	1,695,617	2,456,874	2,225,869
Internal Cash	16,966,484	2,440,461	1,671,233	175,750	4,764,941
Cash Outflows for Construction	6,361,669	2,663,877	1,427,628	1,448,354	3,693,995
CWIP	216,247	310,759	158,323	140,281	425,078
Total Plant	68,697,697	62,302,389	59,839,966	58,509,378	57,972,393
Number of Employees	59	61	60	62	64
Salaries and Wages					

**SEA CLIFF WATER COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$6,961,634	\$6,732,518	\$5,651,228	\$5,603,567	\$5,291,446
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments		1,230,401			
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments		1,230,401			
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	200	980	200	200	(3,790)
7 Notes and Accounts Receivables - Net	(396,992)	511,785	382,017	360,528	296,369
8 Receivables from Associated Companies	57,034	(20,837)	(39,087)	38,514	45,002
9 Materials and Supplies	71,105	62,082	48,379	53,075	55,628
10 Prepayments	41,835	41,732	(1,913)	32,363	32,309
11 Accrued Utility Revenue	198,647	191,624	204,000	209,000	207,125
12 Misc Current and Accrued Assets	13,255	24,309	19,745	4,218	
13 Total Current and Accrued Assets	(14,916)	811,675	613,341	697,898	632,643
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	456,193	419,353	459,332	510,932	459,623
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	456,193	419,353	459,332	510,932	459,623
18 <b>Total Assets and Other Debits</b>	<b>\$7,402,911</b>	<b>\$9,193,947</b>	<b>\$6,723,901</b>	<b>\$6,812,397</b>	<b>\$6,383,712</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$24,950	\$24,950	\$24,950	\$24,950	\$24,950
20 Preferred Stock Issued					
21 Other Paid-in Capital	319,496	319,496	319,496	319,496	319,496
22 Retained Earnings	2,976,288	2,852,663	2,632,826	2,645,570	2,600,674
23 Reacquired Capital Stock					
24 Total Proprietary Capital	3,320,734	3,197,109	2,977,272	2,990,016	2,945,120
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	49,227				
27 Accounts Payable	2,000,000	99,303	68,992	52,791	138,664
28 Payables to Associated Companies	10,500	2,800,000	1,900,000	2,200,000	1,600,000
29 Customer Deposits	22,612	10,500	10,500	10,500	10,500
30 Taxes Accrued	944	8,659	(34,000)	(7,437)	21,236
31 Interest Accrued		944	944	944	944
32 Matured Long-Term Debt	47,075				
33 Misc Current and Accrued Liabilities		248,253	196,910	159,674	198,153
34 Total Current and Accrued Liabilities	2,130,358	3,167,659	2,143,346	2,416,472	1,969,497
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	34,741	34,741	108,080	108,081	140,161
36 Other Deferred Credits	707,648	1,530,089	242,854	222,156	244,262
37 Accumulated Deferred Investment Tax Credits	46,300	46,300	46,300	46,300	46,300
38 Accumulated Deferred Income Taxes	1,163,130	1,218,049	1,206,049	1,029,372	1,038,372
39 Total Deferred Credits	1,951,819	2,829,179	1,603,283	1,405,909	1,469,095
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$7,402,911</b>	<b>\$9,193,947</b>	<b>\$6,723,901</b>	<b>\$6,812,397</b>	<b>\$6,383,712</b>

**SEA CLIFF WATER COMPANY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$2,327,252	\$2,413,586	\$2,147,837	\$2,078,333	\$2,243,752	1
Operating Expense:						
Operation Expense	926,337	824,762	788,320	776,979	768,756	2
Maintenance Expense	144,494	141,626	182,268	146,548	126,325	3
Depreciation and Amortization Expense	176,548	167,134	129,710	158,513	129,675	4
Taxes Other than Income Taxes	755,317	777,347	845,616	938,750	1,008,021	5
Income Taxes	(52,624)	170,770	137,910	55,810	90,300	6
Total Operating Expenses	1,950,072	2,081,638	2,083,824	2,076,600	2,123,077	7
Net Operating Revenues	377,180	331,948	64,013	1,733	120,675	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	377,180	331,948	64,013	1,733	120,675	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	18,452	1,159				11
Allowance for Funds Used During Construction	10,008	27,437	7	20,480	1,236	12
Miscellaneous Nonoperating Income	244,574	1,640				13
Other Income	(260)	199,869	181,132	166,691	135,909	14
Total Other Income	272,774	230,104	181,139	187,171	137,145	15
Other Income Deductions	188				250	16
Taxes-Other Income and Deductions	57,046	92,230	12,090	38,190	36,796	17
<b>Income Available</b>	592,720	469,822	233,062	150,714	220,774	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	141,095	70,735	47,558	5,819	22,716	20
Other Interest Expense					11,038	21
Total Interest Charges	141,095	70,735	47,558	5,819	33,754	22
Income Before Extraordinary Items	451,625	399,087	185,504	144,895	187,020	23
Net Extraordinary Items						24
<b>Net Income</b>	\$451,625	\$399,087	\$185,504	\$144,895	\$187,020	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$2,852,663	\$2,632,825	\$2,645,569	\$2,600,674	\$2,513,654	26
Balance Transferred from Income	451,625	399,087	185,504	144,895	187,020	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock	328,000	179,249	198,248	100,000	100,000	30
Adjustments to Retained Earnings						31
Net Change	123,625	219,838	(12,744)	44,895	87,020	32
Unappropriated (EOP)	2,976,288	2,852,663	2,632,825	2,645,569	2,600,674	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$2,976,288	\$2,852,663	\$2,632,825	\$2,645,569	\$2,600,674	35

**SEA CLIFF WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$451,625	\$399,087	\$185,504	\$144,896	\$187,020
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	176,548	167,134	129,710	158,513	129,675
3 Deferred Taxes & ITCs	(1,107,075)	12,000	176,677	(10,000)	(4,937)
4 Receivables and Inventory	900,036	(135,755)	17,293	(61,036)	56,291
5 Payables and Accrued Expenses	(7,585)	1,338,209	47,571	(211,201)	140,996
6 Capitalized AFUDC - Equity Funds	(36,840)	(27,437)	7	(19,244)	
7 Equity In Loss (Earnings) Of Affiliates	1,230,400				
8 Other Adjustments	(10,008)	(1,190,423)	51,600	(51,309)	
9	3,750	96	(44,613)	(6,663)	(6,918)
10	(103)	(43,646)	34,276	(54)	25,172
11 Net Cash From Operating Activities	<u>1,600,748</u>	<u>519,266</u>	<u>598,025</u>	<u>(56,098)</u>	<u>527,299</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(395,656)	(1,220,987)	(177,378)	(450,390)	(509,866)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.	(77,872)	(18,250)	77,601	6,488	(13,514)
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(473,528)</u>	<u>(1,239,237)</u>	<u>(99,777)</u>	<u>(443,902)</u>	<u>(523,380)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt					
25 Common Stock					
26 Preferred Stock	(800,000)				
27 Short-Term Debt	(328,000)	900,000	(300,000)	600,000	100,000
28 Dividends Paid		(179,249)	(198,248)	(100,000)	(100,000)
29 Other Cash Flows - Financing Activities				3,990	
30					
31					
32 Net Cash From Financing Activities	<u>(1,128,000)</u>	<u>720,751</u>	<u>(498,248)</u>	<u>503,990</u>	
33 Net Increase/(Decrease) In Cash Equivalents	(780)	779	(0)	3,990	3,919
34 Cash & Cash Equivalents At Beginning Of Yea	980	200	200	(3,790)	(7,709)
35 Cash & Cash Equivalents At End Of Year	\$200	\$980	\$200	\$200	(\$3,790)

**SEA CLIFF WATER COMPANY**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$1,989,497	\$2,074,000	\$1,803,388	\$1,764,488	\$1,950,160	1
Sales to Other Water Companies						2
Other Sales of Water	314,496	316,932	306,068	284,761	281,082	3
Total Revenues from Sales of Water	2,303,993	2,390,932	2,109,456	2,049,249	2,231,242	4
Other Water Operating Revenues	23,259	22,654	38,381	29,084	12,510	5
Total Water Operating Revenues	\$2,327,252	\$2,413,586	\$2,147,837	\$2,078,333	\$2,243,752	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	442,713	495,378	438,088	421,714	475,685	8
Sales to Other Water Companies						9
Other Sales of Water						10
Total Sales of Water	442,713	495,378	438,088	421,714	475,685	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	4,305	4,298	4,286	4,303	4,320	13
Sales to Other Water Companies						14
Other Sales of Water	49	47	45	45	48	15
Total Customers	4,354	4,345	4,331	4,348	4,368	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$462.14	\$482.55	\$420.76	\$410.06	\$451.43	18
Average Consumption per Customer (T.Gal)	102.84	115.26	102.21	98.00	110.11	19
Average Revenue per T Gallons Sold	\$4.49	\$4.19	\$4.12	\$4.18	\$4.10	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$16,093	\$11,277	\$60,942	\$14,464	\$8,375	24
Power and Pumping	204,537	178,440	148,451	146,429	138,326	25
Purification	113,935	113,635	92,024	102,657	110,827	26
Transmission and Distribution	138,044	127,530	179,063	143,692	150,170	27
Customer Accounting and Collecting	147,278	136,028	134,862	125,052	131,229	28
Administrative and General	450,944	399,478	355,246	391,232	356,154	29
<b>Total O &amp; M Expense</b>	<b>\$1,070,831</b>	<b>\$966,388</b>	<b>\$970,588</b>	<b>\$923,526</b>	<b>\$895,081</b>	<b>30</b>

**SEA CLIFF WATER COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$2,327,252	\$2,413,586	\$2,147,837	\$2,078,333	\$2,243,752
2 Sales (Thousands of Gallons)	442,713	495,378	438,088	421,714	475,685
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$204,713	\$199,631	\$161,840	\$146,173	\$153,678
4 Wages and Benefits	473,817	452,460	479,089	425,713	371,124
5 Other Operation and Maintenance Expense	1,070,831	966,388	329,659	923,526	895,081
6 Depreciation and Amortization Expense	176,548	167,134	129,710	158,513	129,675
7 Income Taxes-Operating	(52,624)	170,770	137,910	55,810	90,300
8 Other Taxes-Operating	755,317	777,347	845,616	938,750	1,008,021
9 Capital Costs	(301,349)	(320,143)	64,013	(570,152)	(404,126)
10 Total	\$2,327,252	\$2,413,586	\$2,147,837	\$2,078,333	\$2,243,752
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	8.8	8.3	7.5	7.0	6.8
12 Wages and Benefits	20.4	18.7	22.3	20.5	16.5
13 Other Operation and Maintenance Expense	16.9	40.0	15.3	44.4	39.9
14 Depreciation and Amortization Expense	7.6	6.9	6.0	7.6	5.8
15 Income Taxes-Operating	5.9	7.1	6.4	2.7	4.0
16 Other Taxes-Operating	32.5	32.2	39.4	45.2	44.9
17 Capital Costs	8.1	(13.3)	3.0	(27.4)	(18.0)
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.46	0.40	0.37	0.35	0.32
20 Wages and Benefits	1.07	0.91	1.09	1.01	0.78
21 Other Operation and Maintenance Expense	0.89	1.95	0.75	2.19	1.88
22 Depreciation and Amortization Expense	0.40	0.34	0.30	0.38	0.27
23 Income Taxes-Operating	0.31	0.34	0.31	0.13	0.19
24 Other Taxes-Operating	1.71	1.57	1.93	2.23	2.12
25 Capital Costs	0.42	-0.65	0.15	-1.35	-0.85
26 Total	5.26	4.87	4.90	4.93	4.72

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water			8,645		
Fuel for Pumping	148,404	136,294	105,095	102,919	94,230
Chemicals	56,309	63,337	48,100	43,254	59,448
Total PW, Fuel and Chemicals	204,713	199,631	161,840	146,173	153,678
Total - Ultimate Customers					

**Wages and Benefits**

Salaries	313,875	334,619	357,148	297,884	283,286
Pensions and Benefits	159,942	117,841	121,941	127,829	87,837
Total Wages and Benefits	473,817	452,460	479,089	425,713	371,124

**Other Expenses**

Total O&M Expenses	1,070,831	966,388	970,588	923,526	895,081
-Total PW, Fuel and Chemicals	204,713	199,631	161,840	146,173	153,678
-Wages and Benefits	473,817	452,460	479,089	425,713	371,124

Other Expenses	392,301	314,297	329,659	351,640	370,280
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**Depreciation and Amortization**

Depreciation Exp	176,548	167,134	129,710	158,513	129,675
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	176,548	167,134	129,710	158,513	129,675



**UNITED WATER NEW ROCHELLE  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$104,114,355	\$80,779,225	\$71,064,230	\$64,146,157	\$62,248,545
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	52,161	48,390	(509,758)	76,795	170,780
7 Notes and Accounts Receivables - Net	1,673,199	1,778,836	1,233,019	2,252,786	1,887,503
8 Receivables from Associated Companies					
9 Materials and Supplies	468,466	366,620	341,114	328,594	321,855
10 Prepayments	799,562	2,158,123	2,228,391	2,362,457	3,074,124
11 Accrued Utility Revenue	2,902,200	2,536,038	2,339,068	1,950,444	3,086,459
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	5,895,588	6,888,007	5,631,834	6,971,075	8,540,721
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	22,846,796	17,876,766	14,959,398	14,252,530	10,772,165
16 Accumulated Deferred Income Taxes	21,372	787,288	980,134	1,236,729	1,413,541
17 Total Deferred Debits	22,868,168	18,664,054	15,939,532	15,489,259	12,185,706
18 <b>Total Assets and Other Debits</b>	<b>\$132,878,111</b>	<b>\$106,331,286</b>	<b>\$92,635,596</b>	<b>\$86,606,491</b>	<b>\$82,974,972</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	50,000	50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued					
21 Other Paid-in Capital	46,486,250	33,786,250	25,786,250	22,886,250	21,886,250
22 Retained Earnings	48,181,899	41,292,817	39,129,736	37,436,374	35,273,641
23 Reacquired Capital Stock					
24 Total Proprietary Capital	94,718,149	75,129,067	64,965,986	60,372,624	57,209,891
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	7,445,222	1,517,792	1,098,802	708,863	221,134
28 Payables to Associated Companies	320,646	427,996	116,212		
29 Customer Deposits	21,043	16,042	10,743	5,805	41,728
30 Taxes Accrued	3,134,367	248,971	(708,957)	(343,375)	165,268
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	6,420,898	5,561,718	4,497,518	3,457,058	3,080,628
34 Total Current and Accrued Liabilities	17,342,176	7,772,519	5,014,318	3,828,350	3,508,758
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	559,081	873,987	785,334	958,582	1,496,718
36 Other Deferred Credits	2,510,902	1,723,197	1,694,799	2,534,409	3,859,959
37 Accumulated Deferred Investment Tax Credits	558,856	575,548	592,240	608,932	625,624
38 Accumulated Deferred Income Taxes	17,188,947	18,916,239	17,695,950	15,863,349	13,276,956
39 Total Deferred Credits	20,817,786	22,088,971	20,768,323	19,965,271	19,259,257
<b>OPERATING RESERVES</b>					
40 Operating Reserves		1,340,729	1,886,969	2,440,245	2,997,066
41 <b>Total Liabilities and Other Credits</b>	<b>\$132,878,111</b>	<b>\$106,331,286</b>	<b>\$92,635,596</b>	<b>\$86,606,491</b>	<b>\$82,974,972</b>

**UNITED WATER NEW ROCHELLE**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$28,399,901	\$23,293,318	\$19,792,594	\$20,631,279	\$21,061,553	1
Operating Expense:						
Operation Expense	12,528,414	9,828,104	8,991,939	8,320,847	8,982,765	2
Maintenance Expense	887,609	816,609	804,907	910,354	667,392	3
Depreciation and Amortization Expense	1,697,647	1,793,549	1,640,256	1,691,412	1,702,677	4
Taxes Other than Income Taxes	5,734,770	5,286,886	5,154,622	5,298,091	5,694,375	5
Income Taxes	3,825,367	1,701,897	725,904	972,180	939,678	6
Total Operating Expenses	24,673,807	19,427,045	17,317,628	17,192,884	17,986,887	7
Net Operating Revenues	3,726,094	3,866,273	2,474,966	3,438,395	3,074,666	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>3,726,094</b>	<b>3,866,273</b>	<b>2,474,966</b>	<b>3,438,395</b>	<b>3,074,666</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income	166,572	292,546	85,672	89,262	212,775	11
Allowance for Funds Used During Construction	1,558,765	679,008	785,100	594,338	566,099	12
Miscellaneous Nonoperating Income	(4,025)	(145)	37,040	1,916	64,527	13
Other Income		(12,855)	25,882	37,676	(748)	14
Total Other Income	1,721,312	958,554	933,694	723,191	842,653	15
Other Income Deductions	23,503	1,573	111,833		23,791	16
Taxes-Other Income and Deductions			18	1,786	23	17
<b>Income Available</b>	<b>5,423,903</b>	<b>4,823,254</b>	<b>3,296,810</b>	<b>4,159,800</b>	<b>3,893,505</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	2,688,363	2,332,160	2,340,902	2,172,405	2,261,417	20
Other Interest Expense	4,397	1,773	72,358	186,596	88,832	21
Total Interest Charges	2,692,760	2,333,933	2,413,260	2,359,001	2,350,249	22
Income Before Extraordinary Items	2,731,143	2,489,321	883,550	1,800,799	1,543,256	23
Net Extraordinary Items						24
<b>Net Income</b>	<b>\$2,731,143</b>	<b>\$2,489,321</b>	<b>\$883,550</b>	<b>\$1,800,799</b>	<b>\$1,543,256</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$41,292,817	\$39,129,736	\$37,436,374	\$35,273,641	\$35,678,478	26
Balance Transferred from Income	2,731,143	2,489,321	883,550	1,800,799	1,543,256	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings	4,157,939	(326,240)	809,812	361,934	(1,948,093)	31
Net Change	6,889,082	2,163,081	1,693,362	2,162,733	(404,837)	32
Unappropriated (EOP)	48,181,899	41,292,817	39,129,736	37,436,374	35,273,641	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>\$48,181,899</b>	<b>\$41,292,817</b>	<b>\$39,129,736</b>	<b>\$37,436,374</b>	<b>\$35,273,641</b>	<b>35</b>

**UNITED WATER NEW ROCHELLE  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$2,731,143	\$2,489,321	\$883,550	\$1,800,799	\$1,543,256
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	5,855,586	1,467,309	1,629,204	1,669,308	1,680,573
3 Deferred Taxes & ITCs	(978,067)	1,396,441	1,733,294	2,551,625	2,084,908
4 Receivables and Inventory	3,791	(571,324)	618,623	(372,022)	925,178
5 Payables and Accrued Expenses	6,681,439	1,793,370	1,551,549	864,159	332,605
6 Capitalized AFUDC - Equity Funds	(1,558,765)	(679,008)	(785,100)	(594,338)	(566,099)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(366,162)	(196,970)	(706,869)	1,136,015	(954,500)
9	2,883,217	959,532	(839,610)	(508,643)	200,723
10	(4,681,954)	(3,478,544)	(231,516)	(4,875,861)	(2,718,962)
11 Net Cash From Operating Activities	<u>10,570,228</u>	<u>3,180,127</u>	<u>3,853,125</u>	<u>1,671,042</u>	<u>2,527,682</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(23,266,457)	(10,621,981)	(7,166,430)	(2,765,027)	(6,510,620)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(23,266,457)</u>	<u>(10,621,981)</u>	<u>(7,166,430)</u>	<u>(2,765,027)</u>	<u>(6,510,620)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt			(173,248)		
25 Common Stock	12,700,000	8,000,000	2,900,000	1,000,000	4,056,000
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid					
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>12,700,000</u>	<u>8,000,000</u>	<u>2,726,752</u>	<u>1,000,000</u>	<u>4,056,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	3,771	558,146	(586,553)	(93,985)	73,062
34 Cash & Cash Equivalents At Beginning Of Year	48,390	(509,756)	76,797	170,782	97,720
35 Cash & Cash Equivalents At End Of Year	\$52,161	\$48,390	(\$509,756)	\$76,797	\$170,782

**Notes:**

1 Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER NEW ROCHELLE  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$23,482,477	\$19,300,740	\$16,519,925	\$18,064,530	\$17,555,085	1
Sales to Other Water Companies	420,820	2,181,619	1,999,899	1,961,212	1,914,229	2
Other Sales of Water	393,944	352,458	282,500	343,692	321,507	3
Total Revenues from Sales of Water	24,297,241	21,834,817	18,802,324	20,369,434	19,790,821	4
Other Water Operating Revenues	4,102,659	1,458,501	990,270	261,846	1,270,732	5
Total Water Operating Revenues	\$28,399,900	\$23,293,318	\$19,792,594	\$20,631,280	\$21,061,553	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	5,425,644	5,696,689	5,096,469	5,461,723	5,290,945	8
Sales to Other Water Companies	220,142	298,099	207,221	183,970	98,266	9
Other Sales of Water	102,332	109,628	90,226	116,647	114,696	10
Total Sales of Water	5,748,118	6,104,416	5,393,916	5,762,340	5,503,907	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	31,094	30,402	30,262	30,159	30,023	13
Sales to Other Water Companies	2	2	2	2	2	14
Other Sales of Water	192	726	707	701	667	15
Total Customers	31,288	31,130	30,971	30,862	30,692	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$755.21	\$634.85	\$545.90	\$598.98	\$584.72	18
Average Consumption per Customer (T.Gal)	174.49	187.38	168.41	181.10	176.23	19
Average Revenue per T Gallons Sold	\$4.33	\$3.39	\$3.24	\$3.31	\$3.32	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$5,643,787	\$4,294,280	\$3,044,157	\$2,862,672	\$3,121,474	24
Power and Pumping	1,726,260	1,572,847	1,211,314	1,207,043	1,197,183	25
Purification	343,970	401,175	322,701	268,944	269,099	26
Transmission and Distribution	1,775,282	1,347,101	1,351,434	1,530,551	1,244,485	27
Customer Accounting and Collecting	1,454,120	1,500,999	958,112	894,614	1,026,827	28
Administrative and General	2,472,604	1,528,311	2,909,128	2,467,377	2,790,699	29
Total O & M Expense	\$13,416,023	\$10,644,713	\$9,796,845	\$9,231,201	\$9,649,767	30

**UNITED WATER NEW ROCHELLE  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$28,399,901	\$23,293,318	\$19,792,594	\$20,631,280	\$21,061,553
2 Sales (Thousands of Gallons)	5,748,118	6,104,416	5,393,916	5,762,340	5,503,907
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$6,608,674	\$5,175,765	\$3,795,750	\$3,613,487	\$3,858,068
4 Wages and Benefits	3,303,274	2,448,703	2,673,145	2,641,436	2,937,000
5 Other Operation and Maintenance Expense	3,504,076	3,020,245	3,327,950	2,976,279	2,854,699
6 Depreciation and Amortization Expense	1,697,647	1,467,309	1,629,204	1,669,308	1,680,573
7 Income Taxes-Operating	3,825,367	1,701,897	725,904	972,180	939,678
8 Other Taxes-Operating	5,734,770	5,286,886	5,154,622	5,298,091	5,694,375
9 Capital Costs	3,726,094	4,192,513	2,486,019	3,460,499	3,097,160
10 Total	\$28,399,901	\$23,293,318	\$19,792,594	\$20,631,280	\$21,061,553
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	23.3	22.2	19.2	17.5	18.3
12 Wages and Benefits	11.6	10.5	13.5	12.8	13.9
13 Other Operation and Maintenance Expense	12.3	13.0	16.8	14.4	13.6
14 Depreciation and Amortization Expense	6.0	6.3	8.2	8.1	8.0
15 Income Taxes-Operating	13.5	7.3	3.7	4.7	4.5
16 Other Taxes-Operating	20.2	22.7	26.0	25.7	27.0
17 Capital Costs	13.1	18.0	12.6	16.8	14.7
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	1.15	0.85	0.70	0.63	0.70
20 Wages and Benefits	0.57	0.40	0.50	0.46	0.53
21 Other Operation and Maintenance Expense	0.61	0.49	0.62	0.52	0.52
22 Depreciation and Amortization Expense	0.30	0.24	0.30	0.29	0.31
23 Income Taxes-Operating	0.67	0.28	0.13	0.17	0.17
24 Other Taxes-Operating	1.00	0.87	0.96	0.92	1.03
25 Capital Costs	0.65	0.69	0.46	0.60	0.56
26 Total	4.94	3.82	3.67	3.58	3.83

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water	5,553,746	4,216,188	2,978,845	2,802,200	3,070,297
Fuel for Pumping	904,776	808,682	701,783	706,081	684,539
Chemicals	150,151	150,895	115,123	105,205	103,232

Total PW, Fuel and Chemicals 6,608,674 5,175,765 3,795,750 3,613,487 3,858,068

Total - Ultimate Customers 6,608,674 5,175,765 3,795,750 3,613,487 3,858,068

**Wages and Benefits**

Salaries	2,165,543	1,944,580	2,033,693	2,214,178	2,112,893
Pensions and Benefits	1,137,731	504,123	639,452	427,258	824,108
Total Wages and Benefits	3,303,274	2,448,703	2,673,145	2,641,436	2,937,000

**Other Expenses**

Total O&M Expenses	13,416,023	10,644,713	9,796,845	9,231,201	9,649,767
-Total PW, Fuel and Chemicals	6,608,674	5,175,765	3,795,750	3,613,487	3,858,068
-Wages and Benefits	3,303,274	2,448,703	2,673,145	2,641,436	2,937,000
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	3,504,076	3,020,245	3,327,950	2,976,279	2,854,699

**Depreciation and Amortization**

Depreciation Exp	1,697,647	1,793,549	1,640,256	1,691,412	1,702,677
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					

Total Depre and Amort 1,697,647 1,793,549 1,640,256 1,691,412 1,702,677

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	6,608,674	5,175,765	3,795,750	3,613,487	3,858,068
divided by Total Gallons	5,748,118	6,104,416	5,393,916	5,762,340	5,503,907
Cost per KWH	0.0011	0.0008	0.0007	0.0006	0.0007
times Sales for Resale MWHs					
Sales for Resale Cost					

**UNITED WATER NEW ROCHELLE**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$47,428	\$47,428	\$47,428	\$47,428	\$47,428	1
Source of Supply	249,512	244,548	244,548	244,548	244,548	2
Pumping	2,662,296	2,662,296	2,605,219	2,605,219	2,588,471	3
Water Treatment	858,206	858,206	1,110,499	1,110,499	1,098,854	4
Transmission and Distribution General	78,828,079	73,386,776	69,464,563	64,298,397	62,164,088	5
Purchased or Sold	5,815,712	5,671,380	5,606,405	4,897,042	5,293,546	6
						7
Total Plant in Service	88,461,233	82,870,634	79,078,662	73,203,132	71,436,935	8
Plant Leased To Others						9
Construction Work In Progress	33,860,365	14,970,982	8,713,763	7,029,301	6,303,444	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights	(90,846)	(90,846)	(90,846)	(90,846)	(90,846)	13
<b>Total Plant</b>	122,230,752	97,750,770	87,701,579	80,141,587	77,649,533	14
Accum. Prov. - Depr. & Amort.	18,116,397	16,971,545	16,637,349	15,995,430	15,400,987	15
<b>Net Plant</b>	\$104,114,355	\$80,779,225	\$71,064,230	\$64,146,157	\$62,248,546	16
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.34	0.89	1.12	1.82	2.43	17
Total Capitalization	\$94,718,149	\$75,129,067	\$64,965,986	\$60,372,624	\$57,209,891	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt						19
Preferred Stock						20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	3.4	2.8	1.7	2.2	2.1	23
Com. Stock Dividends as a % of Earnings						24
Return on Common Equity	3.2%	3.6%	1.4%	3.1%	2.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	45.4%	29.9%	53.8%	60.4%	38.8%	26
CWIP as a % of Plant	27.7%	15.3%	9.9%	8.8%	8.1%	27
Number of Employees	47	49	49	43	54	28

**UNITED WATER NEW YORK  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$192,085,851	\$180,898,806	\$174,391,378	\$169,558,655	\$154,860,386
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					662
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					662
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	555,193	1,180,163	868,824	(766,201)	1,048,675
7 Notes and Accounts Receivables - Net	2,985,186	3,017,911	2,697,931	3,781,428	3,090,941
8 Receivables from Associated Companies				40	1,129
9 Materials and Supplies	788,883	1,180,650	1,271,123	901,431	898,761
10 Prepayments	8,278,020	13,826,690	14,157,546	14,239,601	14,831,946
11 Accrued Utility Revenue	3,553,958				
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	16,161,240	19,205,414	18,995,424	18,156,299	19,871,452
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	2,678,520	2,831,916	2,985,312	3,138,708	3,292,104
15 Other Deferred Debits	11,638,186	13,583,980	13,604,165	12,506,800	12,537,322
16 Accumulated Deferred Income Taxes	1,193,484	9,026,995	9,249,668	9,432,367	9,024,167
17 Total Deferred Debits	15,510,190	25,442,891	25,839,145	25,077,875	24,853,593
18 <b>Total Assets and Other Debits</b>	<b>\$223,757,281</b>	<b>\$225,547,111</b>	<b>\$219,225,947</b>	<b>\$212,792,829</b>	<b>\$199,586,093</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490
20 Preferred Stock Issued					
21 Other Paid-in Capital	34,278,053	26,874,603	26,874,603	16,874,603	11,874,603
22 Retained Earnings	49,147,002	45,978,014	43,540,806	40,536,360	37,364,778
23 Reacquired Capital Stock					
24 Total Proprietary Capital	97,281,545	86,709,107	84,271,899	71,267,453	63,095,871
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	23,000,000	21,000,000	19,900,000	29,000,000	25,000,000
27 Accounts Payable	4,075,600	3,266,317	1,641,861	2,501,525	3,198,535
28 Payables to Associated Companies	327,544	602,588	256,678		
29 Customer Deposits	124,612	121,096	114,211	122,411	124,720
30 Taxes Accrued	565,436	3,021,863	1,234,596	(454,353)	1,973,512
31 Interest Accrued	1,363,011	1,352,480	1,270,311	1,311,912	1,313,275
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	815,173	438,188	732,884	111,115	202,607
34 Total Current and Accrued Liabilities	30,271,376	29,802,532	25,150,541	32,592,610	31,812,649
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	3,800,184	4,495,740	4,979,329	4,754,400	5,377,497
36 Other Deferred Credits	7,785,441	14,820,355	14,517,422	14,211,448	14,370,680
37 Accumulated Deferred Investment Tax Credits	805,203	824,703	842,578	863,703	883,203
38 Accumulated Deferred Income Taxes	32,284,896	35,755,834	35,852,793	34,956,142	29,951,661
39 Total Deferred Credits	44,675,724	55,896,632	56,192,122	54,785,693	50,583,041
<b>OPERATING RESERVES</b>					
40 Operating Reserves	528,636	2,138,840	2,611,385	3,147,073	3,094,532
41 <b>Total Liabilities and Other Credits</b>	<b>\$223,757,281</b>	<b>\$225,547,111</b>	<b>\$219,225,947</b>	<b>\$212,792,829</b>	<b>\$199,586,093</b>

**UNITED WATER NEW YORK**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$47,968,223	\$44,602,191	\$43,309,503	\$43,501,221	\$43,114,999	1
Operating Expense:						
Operation Expense	15,155,245	14,064,043	13,504,614	13,654,862	13,685,561	2
Maintenance Expense	3,670,250	3,106,377	2,453,321	2,132,286	2,642,232	3
Depreciation and Amortization Expense	5,574,781	5,373,763	5,113,250	4,761,919	4,476,947	4
Taxes Other than Income Taxes	10,493,399	9,715,123	9,241,656	9,641,516	8,939,510	5
Income Taxes	2,362,502	2,883,810	3,248,890	3,787,864	3,794,273	6
Total Operating Expenses	37,256,177	35,143,116	33,561,731	33,978,447	33,538,523	7
Net Operating Revenues	10,712,046	9,459,075	9,747,772	9,522,774	9,576,476	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	10,712,046	9,459,075	9,747,772	9,522,774	9,576,476	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	121,608	306,582	88,635	521,273	420,984	11
Allowance for Funds Used During Construction	431,839	120,359	83,991	890,345	244,694	12
Miscellaneous Nonoperating Income	724,853	297,219	143,555	228,666	121,050	13
Other Income			7,822			14
Total Other Income	1,278,300	724,160	324,003	1,640,284	786,728	15
Other Income Deductions	36,694	42,031	86,870	181,772	295,072	16
Taxes-Other Income and Deductions				3,136	689	17
<b>Income Available</b>	11,953,652	10,141,204	9,984,905	10,978,150	10,067,443	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	3,591,996	3,591,996	3,591,996	3,591,996	3,591,996	19
Interest on Debt to Associated Co.						20
Other Interest Expense	1,712,539	1,808,953	1,393,868	1,669,746	1,521,670	21
Total Interest Charges	5,304,535	5,400,949	4,985,864	5,261,742	5,113,666	22
Income Before Extraordinary Items	6,649,117	4,740,255	4,999,041	5,716,408	4,953,777	23
Net Extraordinary Items						24
<b>Net Income</b>	\$6,649,117	\$4,740,255	\$4,999,041	\$5,716,408	\$4,953,777	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$45,978,014	\$43,540,806	\$40,536,360	\$37,364,778	\$36,648,337	26
Balance Transferred from Income	6,649,117	4,740,255	4,999,041	5,716,408	4,953,777	27
Appropriated						28
Dividends Declared-Preferred Stock	2,600,000	2,600,000	2,600,000			29
Dividends Declared-Common Stock				2,600,000	2,600,000	30
Adjustments to Retained Earnings	(880,129)	296,953	605,405	55,174	(1,637,336)	31
Net Change	3,168,988	2,437,208	3,004,446	3,171,582	716,441	32
Unappropriated (EOP)	49,147,002	45,978,014	43,540,806	40,536,360	37,364,778	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$49,147,002	\$45,978,014	\$43,540,806	\$40,536,360	\$37,364,778	35

**UNITED WATER NEW YORK  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$6,649,117	\$4,740,255	\$4,999,041	\$5,716,408	\$4,953,777
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	6,593,474	5,815,171	5,863,111	4,961,549	2,984,067
3 Deferred Taxes & ITCs	4,343,074	107,839	1,058,225	7,262,450	(1,115,124)
4 Receivables and Inventory	(3,129,466)	(229,507)	713,845	(692,068)	904,935
5 Payables and Accrued Expenses	925,271	1,764,724	(31,018)	(792,174)	1,161,250
6 Capitalized AFUDC - Equity Funds	(431,839)	(306,582)	(83,991)	(890,345)	(244,694)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	1,945,793	20,185	(1,097,365)	30,522	(1,959,341)
9	(7,034,914)	302,933	305,974	(2,844,901)	3,860,766
10	1,482,039	1,645,578	1,235,316	(1,782,979)	1,819,756
11 Net Cash From Operating Activities	<u>11,342,549</u>	<u>13,860,596</u>	<u>12,963,138</u>	<u>10,968,462</u>	<u>12,365,392</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(16,307,723)	(11,565,668)	(9,853,042)	(18,560,241)	(8,355,304)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(16,307,723)</u>	<u>(11,565,668)</u>	<u>(9,853,042)</u>	<u>(18,560,241)</u>	<u>(8,355,304)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	4,940,204	(483,589)	10,224,929	4,376,903	(2,415,868)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt	2,000,000	1,100,000	(9,100,000)	4,000,000	2,000,000
28 Dividends Paid	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>4,340,204</u>	<u>(1,983,589)</u>	<u>(1,475,071)</u>	<u>5,776,903</u>	<u>(3,015,868)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(624,970)	311,339	1,635,025	(1,814,876)	994,220
34 Cash & Cash Equivalents At Beginning Of Year	1,180,163	868,824	(766,201)	1,048,675	54,455
35 Cash & Cash Equivalents At End Of Year	\$555,193	\$1,180,163	\$868,824	(\$766,201)	\$1,048,675

**UNITED WATER NEW YORK  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$38,402,902	\$39,297,646	\$37,025,495	\$36,615,751	\$35,245,501	1
Sales to Other Water Companies						2
Other Sales of Water	5,030,636	4,902,746	4,860,272	4,815,240	4,736,325	3
Total Revenues from Sales of Water	43,433,538	44,200,392	41,885,767	41,430,991	39,981,826	4
Other Water Operating Revenues*	4,525,851	395,960	1,411,200	2,070,230	3,133,173	5
Total Water Operating Revenues	\$47,959,389	\$44,596,352	\$43,296,967	\$43,501,221	\$43,114,999	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	9,023,418	9,188,359	8,755,694	8,526,911	8,236,290	8
Sales to Other Water Companies						9
Other Sales of Water	81,912	75,386	73,693	60,716	67,722	10
Total Sales of Water	9,105,330	9,263,745	8,829,387	8,587,627	8,304,012	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	69,265	68,738	68,251	67,703	67,105	13
Sales to Other Water Companies						14
Other Sales of Water	1,182	1,110	1,067	1,036	996	15
Total Customers	70,447	69,848	69,318	68,739	68,101	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$554.43	\$571.70	\$542.49	\$540.83	\$525.23	18
Average Consumption per Customer (T.Gal)	130.27	133.67	128.29	125.95	122.74	19
Average Revenue per T Gallons Sold	\$4.26	\$4.28	\$4.23	\$4.29	\$4.28	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$615,545	\$425,435	\$364,967	\$536,401	\$852,359	24
Power and Pumping	4,664,995	4,014,012	3,373,437	3,332,709	2,774,184	25
Purification	2,340,522	2,295,731	1,733,840	1,939,196	1,611,250	26
Transmission and Distribution	4,088,773	3,847,470	3,299,643	2,901,582	3,042,566	27
Customer Accounting and Collecting	2,572,028	2,570,402	2,226,023	2,148,981	2,287,560	28
Administrative and General	4,541,637	4,017,370	4,960,025	4,928,279	5,759,874	29
<b>Total O &amp; M Expense</b>	<b>\$18,823,501</b>	<b>\$17,170,420</b>	<b>\$15,957,935</b>	<b>\$15,787,148</b>	<b>\$16,327,793</b>	<b>30</b>

**UNITED WATER NEW YORK  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$47,959,389	\$44,596,352	\$43,296,967	\$43,501,221	\$43,114,999
2 Sales (Thousands of Gallons)	9,105,330	9,263,745	8,829,387	8,587,627	8,304,012
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$4,102,479	\$3,258,686	\$2,710,477	\$2,977,558	\$2,480,059
4 Wages and Benefits	5,859,854	5,521,668	5,405,272	5,508,434	5,801,586
5 Other Operation and Maintenance Expense	8,861,167	8,390,066	7,842,186	7,301,156	8,046,148
6 Depreciation and Amortization Expense	5,574,781	5,373,763	5,113,250	4,761,919	4,476,947
7 Income Taxes-Operating	2,362,502	2,883,810	3,248,890	3,787,864	3,794,273
8 Other Taxes-Operating	10,493,399	9,715,123	9,241,656	9,641,516	8,939,510
9 Capital Costs	10,705,207	9,453,236	9,735,236	9,522,774	9,576,476
10 Total	\$47,959,389	\$44,596,352	\$43,296,967	\$43,501,221	\$43,114,999
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	8.6	7.3	6.3	6.8	5.8
12 Wages and Benefits	12.2	12.4	12.5	12.7	13.5
13 Other Operation and Maintenance Expense	18.5	18.8	18.1	16.8	18.7
14 Depreciation and Amortization Expense	11.6	12.0	11.8	10.9	10.4
15 Income Taxes-Operating	4.9	6.5	7.5	8.7	8.8
16 Other Taxes-Operating	21.9	21.8	21.3	22.2	20.7
17 Capital Costs	22.3	21.2	22.5	21.9	22.2
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.45	0.35	0.31	0.35	0.30
20 Wages and Benefits	0.64	0.60	0.61	0.64	0.70
21 Other Operation and Maintenance Expense	0.97	0.91	0.89	0.85	0.97
22 Depreciation and Amortization Expense	0.61	0.58	0.58	0.55	0.54
23 Income Taxes-Operating	0.26	0.31	0.37	0.44	0.46
24 Other Taxes-Operating	1.15	1.05	1.05	1.12	1.08
25 Capital Costs	1.18	1.02	1.10	1.11	1.15
26 Total	5.27	4.81	4.90	5.07	5.19

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water	5,082	100,031	18,402	143,425	185,138
Fuel for Pumping	3,421,309	2,647,739	2,344,291	2,511,475	1,920,286
Chemicals	676,088	510,916	347,784	322,658	374,635

Total PW, Fuel and Chemicals	4,102,479	3,258,686	2,710,477	2,977,558	2,480,059
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Total - Ultimate Customers	4,102,479	3,258,686	2,710,477	2,977,558	2,480,059
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**Wages and Benefits**

Salaries	4,662,616	4,687,120	4,378,534	4,477,468	4,462,708
Pensions and Benefits	1,197,238	834,548	1,026,738	1,030,966	1,338,878
Total Wages and Benefits	5,859,854	5,521,668	5,405,272	5,508,434	5,801,586

**Other Expenses**

Total O&M Expenses	18,823,501	17,170,420	15,957,935	15,787,148	16,327,793
-Total PW, Fuel and Chemicals	4,102,479	3,258,686	2,710,477	2,977,558	2,480,059
-Wages and Benefits	5,859,854	5,521,668	5,405,272	5,508,434	5,801,586
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	8,861,167	8,390,066	7,842,186	7,301,156	8,046,148

**Depreciation and Amortization**

Depreciation Exp	5,574,781	5,373,763	5,113,250	4,761,919	4,476,947
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	5,574,781	5,373,763	5,113,250	4,761,919	4,476,947

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	4,102,479	3,258,686	2,710,477	2,977,558	2,480,059
divided by Total Gallons	9,105,330	9,263,745	8,829,387	8,587,627	8,304,012
Cost per Gallon	0.0005	0.0004	0.0003	0.0003	0.0003

**UNITED WATER NEW YORK**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$89,248	\$80,005	\$80,005	\$80,005	\$80,005	1
Source of Supply	25,886,067	24,355,628	23,892,857	23,808,184	17,362,308	2
Pumping	20,843,121	19,183,492	19,220,215	18,003,221	17,686,677	3
Water Treatment	27,722,121	22,950,472	22,621,378	22,961,330	12,404,878	4
Transmission and Distribution	152,470,329	146,328,914	141,667,531	135,827,065	130,626,487	5
General	20,372,239	19,097,729	18,741,057	17,290,816	16,777,450	6
Purchased or Sold						7
Plant In Service	247,383,125	231,996,240	226,223,043	217,970,621	194,937,805	8
Plant Leased To Others						9
Construction Work In Progress	9,195,921	8,033,943	2,462,225	1,607,514	7,361,944	10
Plant Held For Future Use	8,792,615	8,785,612	8,751,908	8,749,983	8,892,667	11
Plant Acquisition Adjustments	1,001,391	1,001,391	1,001,391	1,001,391	1,001,391	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179,408)	(1,179,408)	(1,179,408)	(1,179,408)	(1,179,408)	13
<b>Total Plant</b>	<b>265,193,645</b>	<b>248,637,778</b>	<b>237,259,159</b>	<b>228,150,101</b>	<b>211,014,399</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	73,107,793	67,738,972	62,867,781	58,591,446	56,154,013	15
<b>Net Plant</b>	<b>\$192,085,852</b>	<b>\$180,898,806</b>	<b>\$174,391,378</b>	<b>\$169,558,655</b>	<b>\$154,860,386</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.53	0.64	0.76	0.56	0.62	17
Total Capitalization	\$171,281,545	\$158,709,107	\$155,171,899	\$151,267,453	\$139,095,871	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	29.8%	32.1%	32.9%	33.7%	36.7%	19
Preferred Stock						20
Common Stock & Retained Earnings	56.8%	54.6%	54.3%	47.1%	45.4%	21
Short-Term Debt	13.4%	13.2%	12.8%	19.2%	18.0%	22
Pretax Coverage of Interest Expense	2.7	2.4	2.7	2.8	2.8	23
Com. Stock Dividends as a % of Earnings	64.2%	121.5%	108.4%	45.5%	52.5%	24
Return on Common Equity	4.4%	2.5%	3.1%	8.5%	7.9%	25
Internal Cash Generated as a % of Cash Outflows for Construction	69.6%	119.8%	131.6%	59.1%	148.0%	26
CWIP as a % of Plant	3.5%	3.2%	1.0%	0.7%	3.5%	27
Number of Employees	97	96	91	90	95	28

Current Assets	16,161,240.32	19,205,414	18,995,424	18,156,299	19,871,452
Current Liabilities	30,271,376	29,802,532	25,150,541	32,592,610	31,812,649
Total Capitalization	171,281,545	158,709,107	155,171,899	151,267,453	139,095,871
Long-Term Debt	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	97,281,545	86,709,107	84,271,899	71,267,453	63,095,871
Short-Term Debt	23,000,000	21,000,000	19,900,000	29,000,000	25,000,000
Pretax Income	14,352,848	13,067,045	13,320,665	14,947,786	14,156,788
Interest Expense	5,304,535	5,400,949	4,985,864	5,261,742	5,113,666
Dividends Paid	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Net Income (Excl. Preferred Stock Dividends)	4,049,117	2,140,255	2,399,041	5,716,408	4,953,777
Internal Cash	11,342,549	13,860,596	12,963,138	10,968,462	12,365,392
Cash Outflows for Construction	16,307,723	11,565,668	9,853,042	18,560,241	8,355,304
CWIP	9,195,921	8,033,943	2,462,225	1,607,514	7,361,944
Total Plant	265,193,645	248,637,778	237,259,159	228,150,101	211,014,399
Number of Employees	97	96	91	90	95
Salaries and Wages					

**UNITED WATER OWEGO  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$2,877,339	\$2,717,331	\$2,567,820	\$2,453,732	\$2,295,147
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments	544,067	461,998	371,439	330,072	335,163
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	544,067	461,998	371,439	330,072	335,163
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	3,472	123,303	283,272	71,202	32,842
7 Notes and Accounts Receivables - Net	97,690	88,614	97,036	63,033	19,997
8 Receivables from Associated Companies					
9 Materials and Supplies	37,389	29,315	25,256	20,882	20,910
10 Prepayments	(422,143)	(329,700)	(278,661)	(213,445)	(134,725)
11 Accrued Utility Revenue	89,092	91,877	83,968	88,461	118,212
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	(194,500)	3,409	210,871	30,133	57,236
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	(129,415)	(146,968)	(222,185)	84,089	166,545
16 Accumulated Deferred Income Taxes	76,152	63,801	73,378	89,642	103,941
17 Total Deferred Debits	(53,263)	(83,167)	(148,807)	173,731	270,486
18 <b>Total Assets and Other Debits</b>	<b>\$3,173,643</b>	<b>\$3,099,571</b>	<b>\$3,001,323</b>	<b>\$2,987,668</b>	<b>\$2,958,032</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	33,600	\$33,600	\$33,600	\$33,600	\$33,600
20 Preferred Stock Issued					
21 Other Paid-in Capital	1,811,181	1,651,181	1,651,181	1,211,181	1,211,181
22 Retained Earnings	621,777	529,298	507,860	469,619	785,733
23 Reacquired Capital Stock					
24 Total Proprietary Capital	2,466,558	2,214,079	2,192,642	1,714,400	2,030,514
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	95,308	35,165	60,033	185,409	14,426
28 Payables to Associated Companies	25,006	15,144	7,256		
29 Customer Deposits					
30 Taxes Accrued	(66,254)	97,739	4,653	55,311	(90,195)
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	21,092	22,189	24,149	31,331	25,991
34 Total Current and Accrued Liabilities	75,152	170,237	96,091	272,051	(49,777)
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	242,967	242,968	242,968	198,591	1,000
36 Other Deferred Credits	16,896	80,394	130,922	193,494	309,756
37 Accumulated Deferred Investment Tax Credits	17,439	18,147	18,855	19,563	20,271
38 Accumulated Deferred Income Taxes	354,631	247,688	159,175	390,044	404,741
39 Total Deferred Credits	631,933	589,197	551,920	801,692	735,768
<b>OPERATING RESERVES</b>					
40 Operating Reserves		126,058	160,671	199,525	241,527
41 <b>Total Liabilities and Other Credits</b>	<b>\$3,173,643</b>	<b>\$3,099,571</b>	<b>\$3,001,323</b>	<b>\$2,987,668</b>	<b>\$2,958,032</b>

**UNITED WATER OWEGO**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$945,640	\$953,927	\$935,492	\$935,048	\$946,972	1
Operating Expense:						
Operation Expense	478,312	450,284	488,134	469,432	813,266	2
Maintenance Expense	89,577	94,239	88,683	78,963	76,430	3
Depreciation and Amortization Expense	90,068	94,623	85,888	93,597	75,116	4
Taxes Other than Income Taxes	240,365	185,788	185,122	215,201	234,007	5
Income Taxes	(50,837)	25,272	5,494	2,645	(122,215)	6
Total Operating Expenses	847,485	850,206	853,321	859,837	1,076,605	7
Net Operating Revenues	98,155	103,721	82,171	75,210	(129,633)	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	98,155	103,721	82,171	75,210	(129,633)	10
<b>OTHER INCOME</b>						
Interest and Dividend Income		208	2,206	2,591	7,545	11
Allowance for Funds Used During Construction	3				5,302	12
Miscellaneous Nonoperating Income					822	13
Other Income						14
Total Other Income	3	208	2,206	2,591	13,669	15
Other Income Deductions	(3,668)	104	109		420	16
Taxes-Other Income and Deductions			(77)	92	92	17
<b>Income Available</b>	101,826	103,825	84,345	77,709	(116,476)	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	63,204	67,966	60,275	63,058	80,192	20
Other Interest Expense	1,143	(121)	89	2,975	2,591	21
Total Interest Charges	64,347	67,845	60,364	66,033	82,783	22
Income Before Extraordinary Items	37,479	35,980	23,981	11,676	(199,259)	23
Net Extraordinary Items						24
<b>Net Income</b>	\$37,479	\$35,980	\$23,981	\$11,676	(\$199,259)	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$529,298	\$507,860	\$469,619	\$785,732	\$1,093,789	26
Balance Transferred from Income	37,479	35,980	23,981	11,676	(199,259)	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock				350,000		30
Adjustments to Retained Earnings	55,000	(14,542)	14,260	22,211	(108,798)	31
Net Change	92,479	21,438	38,241	(316,113)	(308,057)	32
Unappropriated (EOP)	621,777	529,298	507,860	469,619	785,732	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$621,777	\$529,298	\$507,860	\$469,619	\$785,732	35

**UNITED WATER OWEGO  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$37,479	\$35,980	\$23,981	\$11,676	(\$199,259)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	172,999	121,404	112,437	141,827	412,125
3 Deferred Taxes & ITCs	93,884	(6,243)	58,627	18,760	(22,019)
4 Receivables and Inventory	(14,365)	4,364	(38,377)	(42,592)	50,934
5 Payables and Accrued Expenses	68,908	(17,813)	(125,302)	176,323	(25,276)
6 Capitalized AFUDC - Equity Funds	3				
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(17,553)				
9	(63,498)	(7,909)	4,493	29,751	(30,979)
10	(197,608)	74,384	(3,813)	304,797	(83,325)
11 Net Cash From Operating Activities	<u>80,249</u>	<u>204,167</u>	<u>32,046</u>	<u>640,542</u>	<u>102,202</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(250,079)	(244,135)	(199,976)	(252,182)	(320,805)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.	(110,000)	(120,000)	(60,000)		(75,000)
15 Contributions & Advances from Affiliates	160,000		440,000		
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22 Reduction in Working Funds					
23 Net Cash From Investing Activities	<u>(200,079)</u>	<u>(364,135)</u>	<u>180,024</u>	<u>(252,182)</u>	<u>(395,805)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt					
25 Common Stock	(1)				
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid					
29 Other Cash Flows - Financing Activities				(350,000)	319,000
30					
31					
32 Net Cash From Financing Activities	<u>(1)</u>			<u>(350,000)</u>	<u>319,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	(119,831)	(159,968)	212,070	38,360	25,397
34 Cash & Cash Equivalents At Beginning Of Year	123,303	283,271	71,201	32,842	7,445
35 Cash & Cash Equivalents At End Of Year 1	\$3,472	\$123,303	\$283,271	\$71,201	\$32,842

1 Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER OWEGO  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$863,959	\$766,641	\$766,186	\$760,205	\$781,502	1
Sales to Other Water Companies	51,106	48,940	49,019	47,873	48,274	2
Other Sales of Water	27,235	124,481	118,556	151,435	81,186	3
Total Revenues from Sales of Water	942,300	940,062	933,761	959,513	910,963	4
Other Water Operating Revenues	3,339	13,865	1,730	(24,465)	36,009	5
Total Water Operating Revenues	\$945,639	\$953,927	\$935,491	\$935,048	\$946,972	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	492,219	455,763	455,405	428,106	433,375	8
Sales to Other Water Companies	36,965	35,559	35,423	34,758	35,103	9
Other Sales of Water	5,610	7,616	8,605	8,512	6,212	10
Total Sales of Water	534,794	498,938	499,433	471,376	474,690	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	1,414	1,389	1,396	1,381	1,376	13
Sales to Other Water Companies	2	2	2	2	2	14
Other Sales of Water	36	64	59	58	57	15
Total Customers	1,452	1,455	1,457	1,441	1,435	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$611.00	\$551.94	\$548.84	\$550.47	\$567.95	18
Average Consumption per Customer (T.Gal)	348.10	328.12	326.22	310.00	314.95	19
Average Revenue per T Gallons Sold	\$1.76	\$1.68	\$1.68	\$1.78	\$1.80	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$12,540	15,845	8,082	7,163	\$6,851	24
Power and Pumping	171,349	173,266	152,165	148,920	129,588	25
Purification	39,865	35,643	36,067	25,906	24,979	26
Transmission and Distribution	106,709	100,524	109,798	92,644	88,807	27
Customer Accounting and Collecting	86,125	92,860	59,032	51,042	63,613	28
Administrative and General	151,301	126,384	211,674	222,719	575,859	29
<b>Total O &amp; M Expense</b>	<b>\$567,889</b>	<b>\$544,522</b>	<b>\$576,818</b>	<b>\$548,395</b>	<b>\$889,696</b>	<b>30</b>

**UNITED WATER OWEGO  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
1 Revenues	\$945,639	\$953,927	\$935,491	\$935,048	\$946,972
2 Sales (Thousands of Gallons)	534,794	498,938	499,433	471,376	474,690
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$120,276	\$123,893	\$118,015	\$115,017	\$90,311
4 Wages and Benefits	227,829	212,759	209,009	205,760	511,650
5 Other Operation and Maintenance Expense	219,783	207,870	249,793	227,618	287,735
6 Depreciation and Amortization Expense	90,068	94,623	85,888	93,597	75,116
7 Income Taxes-Operating	(50,837)	25,272	5,494	2,645	(122,215)
8 Other Taxes-Operating	240,365	185,788	185,122	215,201	234,007
9 Capital Costs	98,154	103,722	82,170	75,211	(129,633)
10 Total	\$945,639	\$953,927	\$935,491	\$935,048	\$946,972
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	12.7	13.0	12.6	12.3	9.5
12 Wages and Benefits	24.1	22.3	22.3	22.0	54.0
13 Other Operation and Maintenance Expense	23.2	21.8	26.7	24.3	30.4
14 Depreciation and Amortization Expense	9.5	9.9	9.2	10.0	7.9
15 Income Taxes-Operating	(5.4)	2.6	0.6	0.3	(12.9)
16 Other Taxes-Operating	25.4	19.5	19.8	23.0	24.7
17 Capital Costs	10.4	10.9	8.8	8.0	(13.7)
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.22	0.25	0.24	0.24	0.19
20 Wages and Benefits	0.43	0.43	0.42	0.44	1.08
21 Other Operation and Maintenance Expense	0.41	0.42	0.50	0.48	0.61
22 Depreciation and Amortization Expense	0.17	0.19	0.17	0.20	0.16
23 Income Taxes-Operating	-0.10	0.05	0.01	0.01	-0.26
24 Other Taxes-Operating	0.45	0.37	0.37	0.46	0.49
25 Capital Costs	0.18	0.21	0.16	0.16	-0.27
26 Total	1.77	1.91	1.87	1.98	1.99

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water					
Fuel for Pumping	111,889	117,926	113,495	111,078	86,684
Chemicals	8,387	5,967	4,520	3,939	3,627

Total PW, Fuel and Chemicals 120,276 123,893 118,015 115,017 90,311

Total - Ultimate Customers 120,276 123,893 118,015 115,017 90,311

**Wages and Benefits**

Salaries	180,435	169,685	165,109	152,381	145,860
Pensions and Benefits	47,394	43,074	43,900	53,379	365,790
Total Wages and Benefits	227,829	212,759	209,009	205,760	511,650

**Other Expenses**

Total O&M Expenses	567,889	544,522	576,818	548,395	889,696
-Total PW, Fuel and Chemicals	120,276	123,893	118,015	115,017	90,311
-Wages and Benefits	227,829	212,759	209,009	205,760	511,650
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	219,783	207,870	249,793	227,618	287,735

**Depreciation and Amortization**

Depreciation Exp	90,068	94,623	85,888	93,597	75,116
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	90,068	94,623	85,888	93,597	75,116

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	120,276	123,893	118,015	115,017	90,311
divided by Total Gallons	534,794	498,938	499,433	471,376	474,690
Cost per KWH	0.0002	0.0002	0.0002	0.0002	0.0002
times Sales for Resale MWHs					
Sales for Resale Cost					

