

ORIGINAL

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: December 14, 1999
 TO: Division of Water and Wastewater (Tiffany Davis)
 FROM: Division of Auditing and Financial Analysis (Vandiver) *W*
 RE: Docket No. 981663-WU; Tangerine Water Company, Inc.
 Audit Report; Compliance Audit Investigation
 Audit Control No. 99-293-3-2

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, they should send it to the Division of Records and Reporting. There are no confidential work papers associated with this audit.

DNV/sp

Attachment

cc: Division of Auditing and Financial Analysis (Devlin/Causseaux/Harvey/File Folder))
 Orlando District Office (Winston)
 ✓ Division of Records and Reporting
 Division of Legal Services

Ms. Connie Hurlburt
 Tangerine Water Company
 P. O. Box 304
 Tangerine, FL 32777-0304

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC 1 _____
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE
~~15336~~ DEC 15 99
 FPSC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING SERVICES*

Orlando District Office

TANGERINE WATER COMPANY, INC.

COMPLIANCE AUDIT INVESTIGATION

PERIOD ENDED DECEMBER 31, 1998

**DOCKET NO. 981663-WU
AUDIT CONTROL NO. 99-293-3-2**

Handwritten signature of Jeffery A. Small in cursive script.

Jeffery A. Small, Audit Manager

Handwritten signature of Misty B. Butterworth in cursive script.

Misty B. Butterworth, Audit Staff

Handwritten signature of Charleston J. Winston in cursive script.

Charleston J. Winston, District Audit Supervisor

**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT**

DECEMBER 8, 1999

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to determine the utility's compliance with specific elements of Commission Order Number PSC-99-1399-PAA-WU, issued July 21, 1999, for Tangerine Water Company, Inc. in Docket No. 981663-WU. There is no confidential information associated with this audit.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

In our opinion, the procedures referred to above substantiate, in all material aspects, the utility's compliance with specific elements of Commission Order Number PSC-99-1399-PAA-WU.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by compiling the utility's books and records since its last rate proceeding which we believe are sufficient to base our opinion. Our more important audit procedures are summarized below. The following definitions apply when used in this report.

Verified - The items were tested for accuracy, and substantiating documentation was examined.

RATE BASE: Reconciled utility balances established in FPSC Order No. PSC-99-1399-PAA-WU to Tangerine Water Company, Inc.'s adjusted 1998 FPSC Annual Report balances as of November 8, 1999.

CAPITAL STRUCTURE: Verified that the utility has complied with the requirements of FPSC Order No. PSC-99-1399-PAA-WU concerning the refund of customer deposits. Recalculated an auditor-determined sample of the aforementioned customer deposits to verify the following items: that the utility has refunded all customer deposits in accordance with Rule 25-30.331(5), that the utility has paid interest on refunded customer deposits in accordance with Rule 25-30.360, and that the utility has paid interest on customer deposits retained as of December 31, 1998, in accordance with Rule 25-30.311(4)(a).

EXHIBIT I**TANGERINE WATER COMPANY, INC.
DOCKET NO. 981663-WU
ADJUSTED RATE BASE
PERIOD ENDED 12/31/98**

(a) DESCRIPTION	(b) PER UTILITY 12/31/98 ⁽¹⁾	(c) AUDIT EXCEPTION	(d) REFER TO ⁽²⁾	(e) PER AUDIT 12/31/98 ⁽³⁾
UTILITY-PLANT-IN-SERVICE	\$169,065	\$0		\$169,065
LAND & LAND RIGHTS	\$0	\$0		\$0
CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION(CIAC)	(\$58,198)	\$0		(\$58,198)
ACCUMULATED DEPRECIATION	(\$82,292)	\$0		(\$82,292)
AMORTIZATION OF CIAC	\$23,614	\$0		\$23,614
TOTAL	\$52,189	\$0		\$52,189

REQUIRED FOOTNOTES:

- (1) Adjusted balances for 1998 FPSC Annual Report.
- (2) Audit adjustments do not include audit disclosures.
- (3) Per Order No. PSC-99-1399-PAA-WU, issued July 21, 1999