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# Public Service Commission

March 17, 2011

Gene D. Brown  
Water Management Services, Inc.  
250 John Knox Road, #4  
Tallahassee, FL 32303

**Re: Docket No. 100104-WU; Cash Flow Analysis; Audit Control No: 11-007-1-2; WS236**

Dear Mr. Brown:

On January 7, 2011, I wrote to you concerning an audit that would be conducted, as referenced above. As noted in that letter, access would be requested to documents and records of the utility and, if necessary, supporting records for affiliate company transactions that affect regulated operations.

On January 10, 2011, you were e-mailed document requests (Numbers 1 and 2) to provide general ledgers, monthly trial balances, monthly accounts receivable aging reports, and monthly accounts payable aging reports for the years 2004 through 2010 for the above-referenced company. In addition, you were e-mailed another document request (Number 3) to provide copies of debt instruments obtained by yourself, BMG, or any other affiliate for the benefit of the Utility. The requests were due January 18, 2011, at which time you provided some of the information but not the data for 2010 or copies of the debt instruments. For this, you requested an extension to March 15, 2011.

On February 24, 2011 you were e-mailed document requests (Numbers 13 and 14) to provide data representing transactions for Account 123 – Investments in Associated Companies. The requests were due March 3, 2011. You initially requested an extension for these requests until April 15, 2011. By your e-mail dated March 15, 2011, you have now requested extensions for all of these requests until May 20, 2011.

Concerning access to your records, Rules 25-30.145 (2) and (3), Florida Administrative Code, Audit Access to Records, states:

- (2) Reasonable access means that company responses to audit requests for access to records shall be fully provided within the time frame established by the auditor. In establishing a due date, the auditor shall consider the location of the records, the volume of information requested, the number of pending requests, the amount

of independent analysis required, and reasonable time for the utility to review its response for possible claims of confidentiality or privilege.

- (3) In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached. . . .

Staff has attempted to work with the utility and its requests for extensions. Therefore, staff will agree to this last request for an extension. However, please be advised that in order to meet its own internal deadlines, unless there are especially egregious circumstances, staff will not agree to any further extensions.

Sincerely,



Clarence J. Prestwood  
Chief of Auditing  
Office of Auditing and Performance Analysis

CJP:ip

Cc: Office of Commission Clerk  
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