

M E M O R A N D U M

January 26, 1999

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *ON*

RE: DOCKET NO. 960444-WU -- LAKE UTILITY SERVICES, INC.
AUDIT REPORT - LIMITED COMPILATION OF ACCOUNTS
AUDIT CONTROL NO. 98-286-3-1

The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit was prepared using a micro computer and has been recorded on one diskette. The diskette may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are no confidential working papers associated with this audit.

Please forward a complete copy of this audit report to:

Lake Utility Services, Inc.
Don Rasmussen
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4027

DNV/sp

Attachment

cc: Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
File Folder)
Division of Water and Wastewater (Binford)
Orlando District Office

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER-DATE

01082 JAN 27 89

FPC-RECORDS/REPORTING



FLORIDA PUBLIC SERVICE COMMISSION

*DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING*

Orlando District Office


LAKE UTILITY SERVICES, INC.

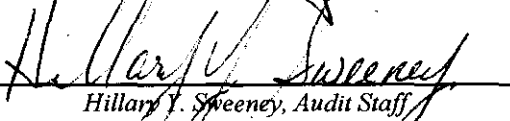
LIMITED COMPILATION OF ACCOUNTS

PERIODS ENDED DECEMBER 31, 1996, 1997, AND 1998

DOCKET NO. 960444-WU

AUDIT CONTROL NO. 98-286-3-1


Charleston J. Winston, Audit Manager


Hillary Y. Sweeney, Audit Staff


Robert F. Dodrill, Sr., Audit Staff


Ian J. Forbes, Audit Supervisor

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

JANUARY 20, 1999

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to compile the accompanying schedule of Plant, CIAC, Advances, and Revenues for the historical 12-month periods ended December 31, 1996, 1997, and 1998 for Lake Utility Services, Inc. (LUSI). This schedule was prepared in accordance with an Audit Service Request dated January 8, 1999, which requested this information. There is no confidential information associated with this audit, and there are no audit staff minority opinions.

This compilation is limited to presenting, in the form of account balances, information that is the representation of management. We have not audited or reviewed the support for the balances and, accordingly, do not express an opinion or any other form of assurance on the accompanying balances. The 1996 and the 1997 balances include company adjustments and allocations. The 1998 balances are unadjusted by the company and do not include home office allocations. The unaudited and unadjusted balances may change after an audit or company adjustments.

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.

SUMMARY OF SIGNIFICANT PROCEDURES

Our compilation was performed on certain account balances and did not entail a complete review of all financial transactions of the company. Our more important procedures are summarized below. The following definitions apply when used in this report.

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

PLANT-IN-SERVICE: Compiled plant additions by year and by primary account for 1996, 1997, and 1998. Scanned accounts for obvious errors.

CIAC AND ADVANCES: Compiled contributions-in-aid-of-construction and advances for construction additions by year for 1996, 1997, and 1998. Scanned accounts for obvious errors.

REVENUES: Compiled total operating revenues from utility operations by category for 1996, 1997, and 1998. Scanned accounts for obvious errors.

**LAKE UTILITY SERVICES, INC.
DOCKET 960444-WU
COMPILATION SCHEDULE
PERIOD ENDED DECEMBER 31, 1998**

DESCRIPTION	1996	1997	1998
UTILITY-PLANT-IN-SERVICE	\$2,217,041	\$2,759,415	\$2,803,941
CIAC	\$1,555,180	\$2,022,629	\$2,416,169
ADVANCES	\$24,175	\$62,835	\$62,835
REVENUES	\$393,861	\$393,337	\$766,322

NOTES:

- (1) The above amounts have not been audited by the Florida Public Service Commission.
- (2) The above amounts for 1998 are prior to year-end adjustments. The amounts could change substantially after adjustments are made.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

January 28, 1999

Lake Utility Services, Inc.
Don Rasmussen, Vice President
200 Weathersfield Avenue
Altamonte Springs, Florida 32714-4027

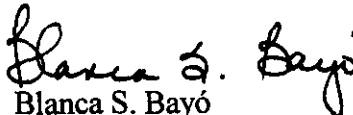
Re: Docket No. 960444 - WU - Lake Utility Services, Inc.
Audit Report - Limited Compilation of Accounts
Audit Control # 98-286-3-1

Dear Mr. Rasmussen:

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above case will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayó

BSB/abf
Enclosure

cc: Public Counsel
Division of Audit and Financial Analysis
Richard Melson, Esquire