

AUDIT SERVICE REQUEST

July 31, 1996
Date of Request
- - -
AFAD control #

TO : DIVISION AUDITING & FINANCIAL ANALYSIS
FROM : DIVISION OF WATER AND WASTEWATER Martha Golden ^{MAG} (904) 413-7015
Name phone number
RE : REQUEST FOR AUDIT OF Haines Creek Mobile Homesites Waterworks
DOCKET NO.: 960793-WU
AUDIT PURPOSE: TO ESTABLISH RATE BASE AS OF DECEMBER 31, 1995

LIST AUDIT OBJECTIVES & OTHER INFORMATION ON BACK.

ADMINISTRATIVE DETAILS:
COMPANY CONTACT: BOB OR NANCY GRUNO OWNERS (352)742-0806
Name Title Phone Number
MAIL ADDRESS: 34834 HAINES CREEK ROAD 34788
Street Address Zip Code
LEESBURG FLORIDA
City State

LOCATION OF RECORDS: The application states that the books are available from the seller listed above.

AUDIT DUE DATE: 01/03/97; However, an earlier completion of the audit would be appreciated. The sales contract contains a provision that the buyer should try to obtain PSC approval of the transfer within 8 months of the execution of the contract, which would be February of 1997. However, the seller will agree to an extension if the buyer shows that he has made a diligent effort to gain PSC approval of the transfer, so it should not be a problem if we cannot complete the docket by then.
PIECEMEAL RESULTS YES ___ NO XX

COORDINATING DETAILS: MARTHA GOLDEN (Analyst) (904) 413-7015
RICHARD REDEMANN (Engineer) (904) 413-6999
Name and phone number of other Division staff and any other administrative instructions

REFERENCES: APPLICATION, 1995 ANNUAL REPORT, ORDER NO. 18000 WHICH ESTABLISHED LAST RATE BASE
Attach copies of FPSC ORDERS and other documents as appropriate

FOR USE OF THE FIELD AUDIT SUPERVISOR:

REQUEST ACKNOWLEDGED BY: _____ DATE: _____
AUDIT MANAGER ASSIGNED: _____ DATE ON SIGHT: _____
COMMENTS: _____

DOCUMENT NUMBER-DATE
08092 AUG-1 1996
FPSC-RECORDS/REPORTING

ITEM #	AUDIT OBJECTIVE OR QUESTION Add supplemental background for auditor	WORK PRIORITY
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ALL ITEMS CONSIDERED HIGH (H) PRIORITY

- 1 The rate base objectives per rate case audit guide of the DAFA audit manual should be used in auditing utility plant, accumulated depreciation, CIAC and accumulated amortization of CIAC. A working capital allowance need not be calculated.
- 2 Determine whether any assets on the seller's books are not being transferred, such as desk, computer equipment and vehicles, and exclude these items from the calculation of rate base.
- 3 Determine if these are any extraordinary circumstances surrounding the purchase. Current Commission policy is not to allow an acquisition adjustment up or down unless there are extraordinary circumstance justifying an acquisition adjustment. The burden of proof is on the utility.
- 4 Verify land ownership in the name of the current owner of the utility for the real property on which the utility plant is located.
- 5 Verify the existing rates, miscellaneous service charges, service availability charges, and customer deposits charged by the utility.

PRIORITY
CODES

H - HIGH PRIORITY - CRITICAL WORK NEEDED TO COMPLETE PROGRAM.
M - MIDDLE PRIORITY - REQUIRED FOR FULL CONSIDERATION OF PROGRAM.
L - LOW PRIORITY - WORK THAT CAN BE DEFERRED.