

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: October 7, 2025

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis

RE: Docket No.: 20250084-SU
Company Name: Gulfstream Utility Inc.
Company Code: SU969
Audit Purpose: A1b: Staff-Assisted Rate Case
Audit Control No.: 2025-170-1-1

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, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Gulfstream Utility LLC
Staff-Assisted Rate Case

Historical Test Year Ended December 31, 2024

Docket No. 20250084-SU
Audit Control No. 2025-170-1-1

October 7, 2025

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Curtis M. Mouring
Audit Manager

A handwritten signature in black ink, appearing to be "KG", written over a horizontal line.

Kathryn Guan
Audit Staff

A handwritten signature in blue ink, appearing to be "Wesley Thurmond", written over a horizontal line.

Wesley Thurmond
Audit Staff

A handwritten signature in blue ink, appearing to be "Lynn M. Deamer", written over a horizontal line.

Lynn M. Deamer
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated June 19, 2025. We have applied these procedures to the attached schedules prepared by the audit staff in support of Gulfstream Utility LLC's request for a Staff Assisted Rate Case in Docket No.20250084-SU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Utility refers to Gulfstream Utility, LLC.

The test year for this proceeding is the historical twelve months ended December 31, 2024.

NARUC refers to the National Association of Regulatory Utility Commissioners.

USoA refers to the NARUC Uniform System of Accounts as adopted by Rule 25-30.115-Uniform System of Accounts for Water and Wastewater Utilities, Florida Administrative Code(F.A.C.)

Background

Gulfstream Utility, LLC is a Class C Utility providingwastewater service to approximately 976 residential and two general service customers in Orange County. Water service is provided by Orange County Utilities through a bulk water purchase agreement. The Utility is a wholly-owned subsidiary of Asset Investors Operating Partnership, LP.

Commission Order No. PSC-2022-0246-PAA-SU, issued on June 28, 2022, in Docket No. 20210191-SU granted the Utility a certificate for waterwater service only.

An original cost study was provided by the Utility in this instant docket and is the starting point for rate base components.

The Utility files a partnership tax return. The audit staff was unable to obtain the tax returns.

Utility Books and Records

Objectives: The objective was to determine whether the Utility maintains its books and records in conformity with the NARUC USoA.

Procedures: The Utility was only able to provide a summarized general ledger from 2022 to 2024. This general ledger did not contain balance or transactional information for UPIS, and Accumulated Depreciation. The general ledger provided did not always have sufficient detail. The Utility did not have all the supporting invoices for the test year for Operation and Maintenance Expenses. After several attempts the Utility was able to provide us with the billing data we needed in a format that we could develop a billing analysis. In addition, audit staff notes that accounting irregularities were observed, and the Utility has stated that these were a result of a change in the accounting system used as well as several items being incorrectly coded by company personnel.

Rate Base

Utility Plant in Service

Objectives: The objectives were to determine whether utility plant in service (UPIS): 1) Consists of property that exists and is owned by the Utility, 2) Additions are recorded at original cost, 3) Retirements are made when a replacement asset is put into service, and 4) Adjustments required in the Utility's last rate proceeding are recorded in its books and records.

Procedures: We reconciled the balances for UPIS as of December 31, 2021 from the Original Cost Study to the Utility's general ledger and annual reports. We scheduled UPIS activity for December 31, 2021, to December 31, 2024. We traced asset additions to supporting documentation. We ensured that retirements were made when an asset was removed or replaced. We determined year-end balances and the simple average balances as of December 31, 2024. See Finding 1.

Land & Land Rights

Objectives: The objectives were to determine whether Land & Land Rights; 1) Consists of property that exists and is owned by the Utility, or held under a long term lease by the Utility; 2) review and document any changes to land since the last Commission proceeding.

Procedures: We reconciled the balances for Land as of December 31, 2021 from the Original Cost Study to the Utility's general ledger and annual reports. We requested and received a warranty deed for the utility land and determined that the utility owns the land the wastewater plant occupies. There has been no change in land ownership since the Utility was granted a certificate or transferred. We determined the year-end balances and the simple average balances as of December 31, 2024. No exceptions were noted

Accumulated Depreciation

Objectives: The objectives were to determine whether: 1) Adjustments to accumulated depreciation in the Utility's last rate case proceeding were recorded in its general ledger, 2) Accumulated depreciation accruals are properly recorded in compliance with Commission Rule 25-30.140-Depreciation, Florida Administrative Code (F.A.C.) and the NARUC USoA, 3) Depreciation expense accruals are calculated using the Commission's authorized rates, and 4) Retirements are properly recorded when an asset was replaced.

Procedures: We reconciled the balances for Accumulated Depreciation as of December 31, 2021 from the Original Cost Study to the Utility's general ledger and annual reports. We recalculated accumulated depreciation using our audit plant balances and the depreciation rates established by Commission Rule 25-30.140 – Depreciation, F.A.C. We determined the year-end balances and simple average balances as of December 31, 2024. See Finding 2.

Contributions-in-Aid-of-Construction

Objectives: The objectives were to determine whether; 1) Contributions-in-Aid-of-Construction (CIAC) is properly recorded in compliance with Commission rules and the NARUC USoA, 2)

Donated property is properly accounted for as recorded as CIAC, and 3) Adjustments to CIAC in the Utility's last rate case proceeding were recorded in its general ledger.

Procedures: The Utility does not have any CIAC on their books, nor do they assess any Service Availability Charges. No further work was performed.

Accumulated Amortization of CIAC

Objectives: The objectives were to determine whether: 1) Accruals to accumulated amortization of CIAC are properly recorded in compliance with Commission Rule 25-30.140, F.A.C., 2) Retirements are recorded when a contributed asset was replaced, 3) Adjustments to accumulated amortization of CIAC in the utility's last rate case proceeding were recorded in its general ledger.

Procedures: The Utility does not have any CIAC on their books, nor do they assess any Service Availability Charges. No further work was performed.

Acquisition Adjustment and Accumulated Amortization of Acquisition Adjustment

Objectives: The objective was to determine if the utility has an authorized acquisition adjustment and if so, calculate the current balance of Accumulated Amortization of Acquisition Adjustment.

Procedures: We determined that the Utility does not have an authorized acquisition adjustment. No further work was performed.

Working Capital

Objectives: The objective was to determine the working capital adjustment to be included in the Utility's rate base per Commission Rule 25-30.443(3), F.A.C.

Procedures: We calculated the Utility's working capital adjustment as of December 31, 2024, using one-eighth of operation and maintenance (O&M) expense as required by Commission Rule 25-30.433(3), F.A.C.

Capital Structure

Objectives: The objectives were to determine the: 1) Components of the utility's capital structure, 2) Cost rate for each class of capital, 3) Overall weighted cost of capital, and that 4) components are properly recorded in compliance with the NARUC UsaA.

Procedures: We determined that the Utility's capital structure consists of common equity. We recalculated the cost rate of common equity using the formula set forth in Commission Order PSC-2025-0213-PAA-WS. We noted that the utility does not collect customer deposits although it is authorized to do so. We determined the year-end balance and its weighted average cost as of December 31, 2024. No exceptions were noted.

Net Operating Income

Operating Revenue

Objectives: The objectives were: 1) to provide a calculation of revenues for all test year rates by class and meter size using the billing analysis; 2) to provide a schedule of customers billed or served by class and meter size for the last month of the test year; 3) to provide a schedule of test year miscellaneous service charges received by type and provide the number of connections for each type of charge; 4) to provide a billing analysis using the attached form for each class of service by meter size for all Commission approved test year tariffed rates, and 5) to provide a schedule of private fire protection service by size of connection.

Procedures: We obtained the billing register from the Utility, and created the billing analysis by rate class and meter size. We recalculated the revenues for historical test year ended December 31, 2024 by rate class and meter size, and traced to the general ledger. We scheduled the customers billed by rate class and meter size for the last month of the test year (December, 2024). We requested and confirmed the miscellaneous service charge and private fire protection service from the Utility. We judgmentally selected 4 residential customer bills of February, July and October of 2024 for sample testing. We recalculated the selected bills, and confirmed whether the Utility used the Commission-approved tariff rates. We also traced our recalculation to billing register and customer bills. See Finding 3 and 4.

Operation and Maintenance Expense

Objectives: The objectives were to determine whether O&M expense is: 1) Representative of the Utility's ongoing operations for the test year, 2) Properly recorded in the appropriate period for the correct amount, and 3) Recorded in compliance with NARUC USoA and Commission Rules.

Procedures: We reviewed all costs for the Utility's O&M expenses for the test year. We reviewed invoices for proper amount, period, classification, NARUC account and whether it was recurring in nature. We verified each expense against the invoice and supporting documentation. We verified payroll expense. Our recommended adjustments to O&M are discussed in Finding 5.

Depreciation and CIAC Amortization Expense

Objectives: The objectives were to determine whether depreciation and CIAC amortization expenses are properly recorded in compliance with Commission rules and that they accurately represent the depreciation of UPIS assets and the amortization of CIAC for ongoing utility operations.

Procedures: We recalculated depreciation expense for the test year ended December 31, 2024, by using the rates established by Commission Rule 25-30.140, F.A.C. Our recommended adjustments to Depreciation and CIAC Amortization Expense are discussed in Finding 2.

Taxes Other than Income

Objectives: The objective was to verify the taxes other than income (TOTI) of the Utility for the test year ended December 31, 2024.

Procedures: We requested support for property taxes from the Utility. We reconciled these to the general ledger and the annual report. We recalculated the regulatory assessment fees (RAF) of the Utility, and reconciled to the general ledger, RAF form, annual report and application. We scheduled the taxes other than income, and reconciled to the annual report and application of the Utility. We confirmed the payroll tax from the Utility. See Finding 6.

Audit Findings

Finding 1: Utility Plant in Service

Audit Analysis: Audit staff determined that the UPIS balance for the test year ended December 31, 2024, is \$4,261,616. The Original Cost Study provided by the Utility in Docket No. 20210191-SU, reflected plant balances totaling \$3,750,000 as of December 31, 2021, which were deemed to be fully depreciated. The Utility did not include these balances on its books. Although these assets may be fully depreciated, they should not be retired from UPIS until they are removed from service. As such, audit staff has increased UPIS \$3,750,000. Additionally, two invoices provided for plant additions to Account 389, totaling \$12,351, appear to be related to the installation of backflow preventers and not related to the wastewater system. The net adjustment to UPIS is an increase of \$3,737,649, as outlined in Table 1-1.

Table 1-1 Utility Plant in Service

Acc#	Account Description	Utility Plant in Service as of 12/31/2024			Test Year Average
		Per Annual Report	Adjustments	Per Audit	
351.00	Organization	\$65,250	\$0	\$65,250	\$65,250
353.00	Land and Land Rights	\$98,726	\$0	\$98,726	\$98,726
354.00	Structures & Improvements	\$0	\$1,700,000	\$1,700,000	\$1,700,000
360.00	Collecting Sewers - Force	\$0	\$0	\$0	\$0
361.00	Collecting Sewers - Gravity	\$10,705	\$0	\$10,705	\$10,705
363.00	Services	\$0	\$0	\$0	\$0
364.00	Flow Measuring Devices	\$3,764	\$0	\$3,764	\$3,764
371.00	Pumping Equipment	\$80,746	\$1,650,000	\$1,730,746	\$1,730,746
380.00	Treatment & Disposal Equipment	\$247,753	\$400,000	\$647,753	\$637,772
382.00	Outfall Sewer Lines	\$3,220	\$0	\$3,220	\$3,220
389.00	Other Plant & Misc. Equipment	\$13,803	(\$12,351)	\$1,452	\$1,452
Total UPIS		\$523,967	\$3,737,649	\$4,261,616	\$4,251,635

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: The test year UPIS should be adjusted to reflect the simple average balances shown in Table 1-1 above.

Finding 2: Accumulated Depreciation and Depreciation Expense

Audit Analysis: Audit staff determined that the Accumulated Depreciation balance for the test year ended December 31, 2024, is \$3,843,142. The Original Cost Study provided by the Utility in Docket No. 20210191-SU, reflected plant balances totaling \$3,750,000 as of December 31, 2021, which were deemed to be fully depreciated. The Utility did not include the Accumulated Depreciation associated with these balances on its books. These assets are fully depreciated, but they should not be retired from Accumulated Depreciation until they are removed from service. As such, audit staff has increased Accumulated Depreciation by \$3,750,000. Although the Utility recorded the Organization costs to Account 351, it has not depreciated it since it was issued its certificate in 2022. As such Accumulated Depreciation should be increased by \$3,263. Additionally, the Utility has over-depreciated Account 364 in the test year (fully depreciated in 2024), and should be reduced by \$377. In 2022, the Utility used the incorrect depreciation rate for Account 371 and understated depreciation expense by \$893 in that year. As such Accumulated Depreciation should be increased by \$893. Commission Rule 25-30.140, F.A.C., indicates a service life of 15 years for plant account 380. The Utility has been using a service life of 32 years to depreciate this plant. As such, Accumulated Depreciation should be increased by an additional \$23,735. Lastly, Accumulated Depreciation should be reduced by \$1,235 to reflect the removal of the backflow preventers discussed in Finding 1. The net adjustment to UPIS is an increase of \$3,776,279, as outlined in Table 2-1. Test year depreciation is shown on Table 2-2.

Table 2-1 Accumulated Depreciation

Acc#	Account Description	Accumulated Depreciation as of 12/31/2024			Test Year Average
		Per Annual Report	Adjustments	Per Audit	
351.00	Organization	\$0	\$3,263	\$3,263	\$2,447
353.00	Land and Land Rights	\$0	\$0	\$0	\$0
354.00	Structures & Improvements	\$0	\$1,700,000	\$1,700,000	\$1,700,000
360.00	Collecting Sewers - Force	\$0	\$0	\$0	\$0
361.00	Collecting Sewers - Gravity	\$401	\$0	\$401	\$268
363.00	Services	\$0	\$0	\$0	\$0
364.00	Flow Measuring Devices	\$4,141	(\$377)	\$3,764	\$3,576
371.00	Pumping Equipment	\$19,483	\$1,650,893	\$1,670,376	\$1,667,685
380.00	Treatment & Disposal Equipment	\$41,189	\$423,735	\$464,924	\$456,999
382.00	Outfall Sewer Lines	\$268	\$0	\$268	\$215
389.00	Other Plant & Misc. Equipment	\$1,380	(\$1,235)	\$145	\$97
Total Accumulated Depreciation		\$66,863	\$3,776,279	\$3,843,142	\$3,831,285

Table 2-2 Depreciation Expense

	DEPRECIATION EXPENSE		
	PER UTILITY	ADJUSTMENTS	PER AUDIT
351.00 Organization	-	1,631	1,631
354.00 Structures & Improvements	-	-	-
360.00 Collecting Sewers - Force	-	-	-
361.00 Collecting Sewers - Gravity	268	-	268
363.00 Services	-	-	-
364.00 Flow Measuring Devices	753	(376)	376
371.00 Pumping Equipment	5,383	-	5,383
380.00 Treatment & Disposal Equipment	7,430	8,421	15,851
382.00 Outfall Sewer Lines	107	-	107
389.00 Other Plant & Misc. Equipment	920	(823)	97
	<u>\$ 14,861</u>	<u>\$ 8,853</u>	<u>\$ 23,714</u>

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: The test year Accumulated Depreciation should be adjusted to reflect the simple average balances shown in Table 2-1 above. Test year depreciation expense is shown on Table 2-2.

Finding 3: Operating Revenue

Audit Analysis: There were general service wastewater customers in the application, audit staff confirmed these two customers are listed under Sun Communities, but not under Gulfstream.

We recalculated the revenues for historical test year ended December 31, 2024 by rate class and meter size from billing register, and traced to the general ledger. The Utility's general ledger showed revenues of \$139,605, however, audit staff recalculated the revenues to be \$157,926 based on our billing analysis.

Audit staff confirmed that the Utility did not use the correct base charge rate for wastewater residential customers in the billing register. The Utility charged an incorrect amount for the base rate. The Commission-approved base rate is \$2.38 per month. In addition, there was a customer charge duplicated, which audit staff removed from the billing analysis and billing register.

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: The operating revenues of the Utility for the historical test year ended December 31, 2024 should be increased by \$18,320 ($\$157,926 - \$139,605 = \$18,320$).

Finding 4: Incorrect Rates in Customer Bills

Audit Analysis: The audit staff noted while reviewing the actual customer bills that the utility was charging an incorrect base rate and an incorrect usage rate. This appears to be in violation of Commission Rule 25-30.475 – Effective Date of Approved Tariffs, F.A.C.

The Utility charged the base rate of \$0.22/month and a usage rate at \$4.83 per 1,000 gallon, instead of the Commission-approved base rate of \$2.38/month and a usage rate at 4.93 per 1,000 gallon.

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: Technical staff should determine the effect on the filing.

Finding 5: Operations and Maintenance Expense

Audit Analysis: Audit staff reviewed all costs for the Utility's O&M expenses for the test year. Audit staff notes that the accounting system used by the Utility, and the company personnel responsible for coding and maintaining the Utility's books has changed recently. Audit staff has identified several adjustments to the test year O&M expenses. See Table 5-1.

Account 701 – Employee Salaries. The Utility records gross salaries in this account. In addition, the Utility records the employer portion of payroll taxes which should be recorded in Account 408-Taxes Other Than Income. Audit staff did not make this adjustment.

Account 710 – Purchased Wastewater Treatment. Audit staff reduced Account 710 by \$3,823 to reflect the actual invoiced costs of purchased wastewater treatment by Orange County Utilities. The invoices from Orange County Utilities are paid by a third party company (Manage America), which assesses a service fee percentage on invoices processed.

Account 711 – Sludge Removal. Audit staff reduced by Account 710 by \$998 to remove an out-of-period invoice. Audit staff increased Account 711 by \$3,923 to reflect invoices that were provided by Utility, but that had not been charged to an expense account. Lastly, audit staff increased this account by \$5,895 to reclassify sludge removal expenses that had been charged to Account 731. As such, audit staff increased the account by \$8,820 ($-\$998 + \$3,923 + \$5,895$).

Account 715 – Purchased Power. The Utility's tracking of Purchased Power expenses were incomplete and inconsistent throughout the test year. The test year amount reflected in the Utility's application and 2024 Annual Report reflects a couple of months of power bills for approximately 13 electricity meters within the Utility's service territory. Audit staff requested the power bills from the Utility multiple times, as well as a description of the Utility property that is served by each meter, but the information provided is still incomplete. Based on the information provided, the Utility has supported test year Purchased Power expense \$6,489.

Account 718 – Chemicals. Audit staff reduced by Account 718 by \$561 to remove an out-of-period invoice. Audit staff increased this account by \$2,056 to reclassify Chemicals expenses that had been charged to Account 731. As such, audit staff increased the account by \$1,495 ($-\$561 + \$2,056$).

Account 730 – Contractual Services – Billing. The Utility allocates 50 percent of its billing costs to the wastewater utility. Audit staff reduced Account 730 by \$651 ($\$1,301/2$) to remove an out-of-period charge. Staff also reduced this account by \$1,366 ($\$2,733/2$) to remove the November and December 2024 charges for which no support was provided. The total reduction to Account 731 is \$2,017 ($\$651 + \$1,366$).

Account 731 – Contractual Services – Professional. Audit staff increased Account 731 by \$481 to reflect a full year of the lawn mowing services at the wastewater treat plant. Audit staff reduced this account by \$1,279 due to a lack of supporting documentation. Lastly, audit staff reduced this account by \$5,895 and \$2,056 to reclassify expenses to Accounts 711 and 718, respectively. Audit staff's total adjustment to Account 731 is a reduction of \$8,749 ($\$481 - \$1,279 - \$5,895 - \$2,056$).

Account 750 – Transportation. Audit staff reduced Account 750 by \$310 due to a lack of supporting documentation.

Account 775 – Miscellaneous. The Utility allocates 50 percent of its miscellaneous costs to the wastewater utility. The Utility booked \$1,460 to this account during the test year, which included phone service, cable service, and office supplies. In response to Document Requests 9 and 23, the Utility declined to seek recovery of the telephone and cable expenses totaling \$1,147. Audit staff further reduced this account by \$50 for unsupported office supplies expense. The total reduction to Account 775 is \$1,197 (\$1,147+\$50).

Table 5-1 O&M Expenses

NARUC	Description	Amount Per	Adjustment	Amount Per
		GL		Audit
		12/31/2024		12/31/2024
701	Salaries - Employees	10,669	-	10,669
710	Purchased Wastewater Treatment	68,726	(3,823)	64,903
711	Sludge Removal	15,645	8,820	24,465
715	Purchased Power	4,328	2,161	6,489
718	Chemicals	7,397	1,495	8,893
720	Materials and Supplies	800	-	800
730	Contractual Services - Billing	8,427	(2,017)	6,410
731	Contractual Services - Professional	59,676	(8,749)	50,927
736	Contractual Services - Other	9,723	-	9,723
750	Transportation	536	(310)	226
765	Regulatory Commission Expense	-	-	-
770	Bad Debt Expense	-	-	-
775	Miscellaneous	1,460	(1,197)	264
	Total	\$187,387	\$ (3,619)	\$ 183,768
	Working Capital Allowance			\$ 22,970.98

* Working Capital = 1/8 of the O&M expense (Rule 25-30.433(3), F.A.C.)

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: Test year O&M expenses should be reduced by a total of \$3,619, as outlined in Table 5-1 above.

Finding 6: Taxes Other than Income

Audit Analysis: Audit staff reviewed all components of Taxes Other Than Income (TOTI) and found the Utility did not report the correct amount. Adjustments to individual components of TOTI are discussed below.

Payroll Taxes – Payroll Taxes are included in Account 701 – Salaries Employees.

Property Taxes – The Utility GL reflected \$895,102 of Property Taxes. Audit staff obtained and reviewed property tax records and found the amount shown in the Utility GL reflected property taxes on all property owned by the community (including non-Utility). The only property tax bill for utility related property was for \$7,750. Thus, audit staff recommends decreasing Property Taxes by \$887,352 to include only the \$7,750 related to utility operations.

Regulatory Assessment Fees (RAFs) – The Utility paid \$5,951 in RAFs for 2024. Audit staff found that amount was incorrectly calculated based on their reported revenues. To correct this calculation and to recalculate RAFs based on revenue adjustments in Finding 3, we recommend RAFs be increased by \$1,156. This results in a 2024 RAFs balance of \$7,107.

Table 6-1

	Per Utility GL Adjustments		Per Audit
Payroll Taxes	\$ -	\$ -	\$ -
Property Taxes	\$ 8,218	\$ (468)	\$ 7,750
RAFs	\$ 5,951	\$ 1,156	\$ 7,107
Total TOTI	\$ 14,169	\$ 688	\$ 14,857

Effect on the General Ledger: The Utility should determine the effect on the general ledger.

Effect on the Filing: The Taxes Other Than Income balance should be reduced by a total of \$468 to bring TOTI to a balance of \$14,857 as outlined in Table 6-1 above.

Exhibits

Exhibit 1: Rate Base

**GULFSTREAM UTILITY, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250084-WU; ACN 2025-170-1-1
SCHEDULE OF WASTEWATER RATE BASE**

Description	Balance per Utility 12/31/2024	Audit Adjustments	Audit Finding	Balance per Audit 12/31/2024	Simple Average
Utility Plant in Service	\$425,241	3,737,649	1	\$4,162,890	\$4,152,909
Land	98,726	-		98,726	98,726
Contributions in Aid of Construction	-	-		-	-
Accumulated Depreciation	(\$66,863)	(3,776,279)	2	(\$3,843,142)	(\$3,831,285)
Accumulated Amortization of CIAC	-	-		-	-
Acquisition Adjustment	-	-		-	-
Accumulated Amortization of Acquisition Adjustment	-	-		-	-
Working Capital	-	22,971		22,971	22,971
NET BOOK VALUE	\$ 457,104	\$ (15,659)		\$ 441,445	\$ 443,321

Working Capital 1/8 of O&M Expense

Exhibit 2: Capital Structure

**GULFSTREAM UTILITY LLC
STAFF-ASSISTED RATE CASE
HISTORICAL TEST YEAR ENDED DECEMBER 31, 2024
DOCKET NO.: 20250084-SU; ACN: 2025-170-1-1
SCHEDULE OF WASTEWATER CAPITAL STRUCTURE**

Class of Capital	Balance Per Audit 12/31/2024	Audit Adjustment	Balance Per Audit 12/31/2024	Ratio	Cost Rate	Weighted Cost
Long-Term Debt	\$ -	\$ -	\$ -			
Short-Term Debt	\$ -	\$ -	\$ -			
Preferred Stock	\$ -	\$ -	\$ -			
Customer Deposit	\$ -	\$ -	\$ -			
Common Equity	\$ 457,106	\$ -	\$ 457,106	100.00%	8.51%	8.51%
Investment Tax Credits	\$ -	\$ -	\$ -			
Accumulated Deferred Taxes	\$ -	\$ -	\$ -			
Total Capital Structure	\$ 457,106	\$ -	\$ 457,106	100.00%		8.51%

Exhibit 3: Net Operating Income

GULFSTREAM UTILITY, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250084-WU; ACN 2025-170-1-1
SCHEDULE OF NET OPERATING INCOME

DESCRIPTION	Amount Per Utility 12/31/2024	Adjustments	Audit Finding	Amount Per Audit 12/31/2024
Operating Revenues	\$ 139,605	18,321	3	\$ 157,926
		-		
Operation & Maintenance Expense	\$187,387	(3,619)	5	183,768
		-		
Depreciation Expense	14,861	8,853	2	23,714
		-		
CIAC Amortized Expense	-	-		-
Acquisition Adjustment Amortization Expense	-	-		-
Taxes Other Than Income	8,218	6,639		14,857
Total Operating Expense	210,467	11,872		222,339
		-		
Net Operating Income (Loss)	\$ (70,861)	\$ 6,449		\$ (64,412)