



August 1, 2013

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FPSC - COMMISSION CLERK

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 120209-WS; Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.
Our File No.: 30057.207

Dear Ms. Cole:

The following are the responses of Utilities, Inc. of Florida ("Company") to the Auditor's Report, Audit Control No 12-254-1-1.

Audit Finding No. 1- Commission Ordered Adjustments

The Company agrees with Staff's methodology for the adjustments to the Commission Ordered Adjustments, but has come up with a different adjustment amount for the increase in Seminole County's Wastewater Net Depreciation. On Staff's schedule in Audit Finding No.1, the Amort Other Tangible Plt for Seminole County Wastewater was incorrectly included as a credit balance instead of the debit balance shown in the General Ledger. Therefore, the Company believes that Seminole County's Wastewater Net Depreciation should not be increased by \$4,257; rather, it should only be increased by \$697. Please see schedule wp AF 1/1.

Audit Finding No. 2- Contributions-in-Aid-of Construction

The Company accepts audit finding no. 2.

Audit Finding No. 3- Operating Revenue

The Company notes audit finding no. 3 is made for information purposes only.

Audit Finding No. 4-Operations and Maintenance Expense-Reclassifications

The Company accepts audit finding no. 4.

Audit Finding No. 5- Operations and Maintenance Expense- Adjustments

The Company accepts audit finding no. 5.

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Audit Finding No. 6- Marion County – O&M Expense

The Company is willing to make adjustments in Marion County if it is appropriate to do so.

Audit Finding No. 7- Taxes Other than Income.

The Company notes audit finding no. 7 is made for information purposes only.

If you have any questions, please feel free to contact me.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

cc: Kirsten Markwell (via e-mail)
Darrien Pitts (via email)
Patrick Flynn (via e-mail)
Todd Brown (via e-mail)
Steve Reilly (via email)

NARUC Acct	Description	MFR Schedule A-12 and A-14			Audit		
		12/31/2011	13-Month Average	13-Month Average Adjustment	13-Month Average Balance	13-Month Average Adjustment	13-Month Average Balance
Seminole County - Water							
271	CIAC Other Tangible Plt	\$ (396,273)	\$ (396,273)	\$ -	\$ (396,273)	\$ 296,212	\$ (100,061)
272	A/A CIAC Other Tangible Plt	176,518	174,115	416,248	590,363	(117,931)	472,432
Seminole County - Wastewater							
271	CIAC Other Tangible Plt	(269,264)	(269,264)	-	(269,264)	269,264	-
272	A/A CIAC Other Tangible Plt	557	2,195	373,271	375,446	(2,195)	373,271
Pasco County - Water							
272	A/A CIAC Other Tangible Plt	164,993	164,803	(19,534)	145,269	(30,610)	114,659
Pasco County - Wastewater							
272	A/A CIAC Other Tangible Plt	-	-	129,115	129,115	(23,424)	105,691

Seminole County - Water	Schedule B-13			Audit	
	12/31/2011	Adjustment	Balance	Adjustment	Balance
403 Dep Other Tangible Plt	(34,367)	(7,406)	(41,773)	34,367	(7,406)
407 Amort Other Tangible Plt	(4,806)	4,806	-	-	-
Net Depreciation	<u>\$ (39,173)</u>	<u>\$ (2,600)</u>	<u>\$ (41,773)</u>	<u>\$ 34,367</u>	<u>\$ (7,406)</u>
Seminole County - Wastewater					
403 Dep Other Tangible Plt	(2,453)	(229)	(2,682)	2,472	(210)
407 Amort Other Tangible Plt	1,775	-	1,775	(1,775)	-
Net Depreciation	<u>\$ (678.00)</u>	<u>\$ (229.00)</u>	<u>\$ (907.00)</u>	<u>\$ 697.00</u>	<u>\$ (210.00)</u>