

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

February 20, 2019

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20180174-WU – Application for a staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC. Audit Control No. 2018-275-2-1

Commission Clerk

West Lakeland Wastewater, LLC, (WLU) hereby submits its response to the Staff Audit Report in the above referenced docket.

Audit Finding 1: WLU takes no position on this finding.

Audit Finding 2: WLU does not agree with this finding. A review of the audit work papers (W/P 22 pages 1-6) reveals two calculation errors. (1st Error) The first schedule on page 1, indicates a calculation of depreciation accruals from October 1, 2012 through December 31, 2012, the actual calculation is based on 9-months of depreciation accruals instead of what should be 3-months of depreciation accruals. (2nd Error) The second schedule on pages 1 and 2, calculates another 12-months of depreciation accruals for the entire year 2012 again. These two errors overstate the accumulated depreciation balance at the end of the test year for this proceeding.

Audit Finding 3: WLU does not agree with this finding. The errors discussed above in Audit Finding 2 carry over and effect the composite depreciation rates used to amortize CIAC. Once staff corrects the accumulated depreciation errors a revised calculation for Accumulated Amortization of CIAC using the corrected composite rates should be performed.

Audit Findings 4 -9: WLU takes no position on these findings.

If you have any further questions please do not hesitate to contact me.

On behalf of the utility,

“s/” Michael Smallridge

Mike Smallridge
West Lakeland Wastewater, LLC