

MEMORANDUM

April 12, 1991

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF AUDIT AND FINANCE (DOUD) *JW*
RE: ~~DOCKET NO. 900816-WS~~ SAILFISH POINT UTILITY CORPORATION
RATE CASE AUDIT

**ORIGINAL
FILE COPY**

Forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit findings disclose information that may influence the decision process.

Audit was prepared using 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 no confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Sailfish Point Utility Corporation
Attn: Mr. Paul Sklansky
6929 S. E. South Marina Way
Stuart, Florida 34996-1907

FD/ss

Attachment

cc: Chairman Beard
Commissioner Deason
Commissioner Easley
Commissioner Gunter
Commissioner Wilson
Bill Talbott, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin)
Division of Water and Sewer (Moniz)
Miami District Office (Welch)

Mr. Don Hale
Office of Public Counsel
624 Fuller Warren Building
202 Blount Street
Tallahassee, FL 32301

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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AUDIT AND
FINANCIAL ANALYSIS DIV

AUDIT REPORT

FOR THE 12 MONTHS ENDED JUNE 30, 1990

FIELD WORK COMPLETED APRIL 5, 1991

SAILFISH POINT UTILITY

MARTIN COUNTY

RATE CASE AUDIT

DOCKET NUMBER 900816-WS

AFAD CONTROL NUMBER 91-074-4-1



**RAYMOND GRANT
AUDIT MANAGER**

AUDIT STAFF ASSIGNED:

GABRIELA LEON

MINORITY OPIONION:

YES _____ **NO** GA



**KATHY L. WELCH
REGULATORY ANALYST SUPERVISOR
MIAMI DISTRICT OFFICE**

DOCUMENT NUMBER-DATE

03531 APR 12 1991

FSC-RECORDS/REPORTING

I. EXECUTIVE SUMMARY

AUDIT PURPOSE: We have applied the procedures described in Section II of this report to the appended Rate Base, Net Operating Income and Capital Structure exhibits filed by Salifish Point Utility Company in support of Docket 900816-WS for the twelve month period ended June 30, 1990 to determine that exhibits represent utility books and that those records are maintained in compliance with Commission directives; that proforma adjustments are based on supportable facts and assumptions; and that facts which may influence the Commission decision process are disclosed.

SCOPE LIMITATION: The company could not provide backup for \$859 of workers compensation insurance in time for the completion of the audit. It will be sent from their Texas office to the analyst.

The audit exit conference was held on April 11, 1991.

DISCLAIM PUBLIC USE: This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must 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 audit standards and produce audited financial statements for public use.

OPINION: Subject to Exceptions 1, 2, and 3, and Disclosures 1-6, the schedules of Rate Base, Operating Income and Capital Structure for the twelve month period ending June 30, 1990, represent Salifish Point Utility books and records maintained in substantial compliance with Commission directives; the expressed opinions extend only to the work performed in Section II of this report.

II. AUDIT SCOPE

The opinions contained in this report are based on the audit work described below. When used in this report, COMPILED and EXAMINED means that audit work includes:

COMPILED: means that the audit staff reconciled exhibit amounts with the general ledger; visually scanned accounts for error or inconsistency; disclosed any unresolved error, irregularity, or inconsistency; and, except as otherwise noted performed no other audit work.

EXAMINED: means that the audit staff reconciled exhibit amounts with the general ledger; traced general ledger account balances to subsidiary ledgers; applied selective analytical review procedures; tested account balances to the extent further described; and disclosed any error, irregularity, or inconsistency observed.

Due to severe time restrictions it was necessary to limit the scope of the audit. Cost of Capital and some work on Contributions in Aid of Construction, including a reconciliation of tax plant to book plant could not be updated from the last docket 891114-WS of June 30, 1989. In addition, staff did not have time to review the proforma adjustments for 5% losses for chemical and electric of \$1,194 and \$1,347 respectively on MFR B-3 O & M Detail.

RATE BASE: Compiled Rate Base.

Examined Utility Plant balances from the last case, docket 891114-WS, at June 30, 1989, through June 30, 1990.

Examined Construction Work in Process for the same period by judgementally selecting 96% of additions for supporting documentation and obtaining supporting documentation for forecasted additions.

Compiled Accumulated Depreciation. Recalculated Depreciation Expense for the test year and for the forecasted 1992 year.

Compiled Contributions in Aid of Construction. Obtained supporting documentation for additions.

Compiled Working Capital.

NET OPERATING INCOME: Compiled test year Net Operating Income.

Tested company proforma adjustments and reclassification entries on a random basis.

Compiled test year revenues and traced to the billing registers.

Compiled test year expenses. Selected 100% of contract service expenses for comparison to invoice. For other major accounts, one month's expense was traced to source documentation. Payroll was detailed by employee.

Traced projected expense multipliers to supporting documentation.

III. AUDIT EXCEPTIONS

AUDIT EXCEPTION NO. 1

SUBJECT: CIAC METER INSTALLATION

STATEMENT OF FACTS: The audit report for docket 891114-WS, test year ended June 30, 1989, contained an audit exception for CIAC meter installation fees which has never been posted to the books.

The company made an adjustment to reclassify meter fees from revenues to CIAC. The company provided Staff with a schedule detailing meter fees collected since inception.

OPINION: Staff recomputed meter fees collected per the company schedule and found the company amount for 1981 and 1982 to be understated by \$795 because of math errors. The 1983 amount was understated by \$924 which is the \$84 meter fee for 11 docks which was collected but not recorded.

	1981	1982	1983	TOTAL
Meter fees per staff Docket 891114-WS	3,325.00	7,197.00	4,070.92	14,592.92
Meter Fees per MFR p. 17	3,150.00	6,577.00	3,146.92	12,873.92
Difference	175.00	620.00	924.00	1,719.00

Sailfish Point Utility's CIAC meter installation and the associated amortization of CIAC is understated by \$1,719 and \$853.98, respectively. The following schedule illustrates staffs calculation of amortization of CIAC

	1981	1982	1983	TOTAL
Meter Installation not recorded	175.00	620.00	924.00	1,719.00
Amortization Rate used by company	5.00%	5.00%	5.00%	
Amortization Expense	8.75	31.00	46.20	85.95
Number of Years not Depreciated	8.50	9.50	10.50	
Amortization of CIAC at 6/90	74.38	294.50	485.10	853.98

**RECOMMENDATION: The following entry is required to reflect the correct
CIAC meter installation fees and amortization of CIAC meter fees:**

ACCUMULATED AMORTIZATION CIAC WATER	853.98	
RETAINED EARNINGS	950.98	
AMORTIZATION CIAC WATER		85.95
CIAC		1,719.00

COMPANY COMMENTS: The company withholds comment at this time.

AUDIT EXCEPTION NO. 2

SUBJECT: Error in Carrying Forward Proforma Adjustment

STATEMENT OF FACT: MFR B-1 and B-2 attached in Section V, contain adjustments from MFR B-3 O & M Detail for reclassifications of the company accounting system. This schedule has a line called reclass O & M, 3 and is taken from MFR B-3 O & M Reclass Detail page 3. According to the backup on this schedule, \$1,348.36 should be removed from account 630 as it relates to Reverse Osmosis Membranes which are replaced every two years. \$2,696.71 was charged to account 630 and per the discussion in Note 1 of the MFR, one half should be removed, or \$1,348.36. However, the company on MFR B-3, O & M Detail increased Operation and Maintenance Expenses for this amount instead of decreasing.

Also on MFR B-3 O & M reclass detail, an adjustment is shown to take \$8,468.03 out of account 630/730 and charge it to account 186, deferred rate case expenses. The company never carried forward this adjustment to MFR B-3 O & M detail and thus never to MFR B-1 and B-2.

OPINION: The \$8,468.03 relating to the 1989 rate case should be removed along with changing the adjustment for the \$1,348 from an increase to a reduction.

	<u>Water</u>	<u>Sewer</u>
Remove deferred expenses	(\$4,234.01)	(\$4,234.01)
Remove adjustment made by company for R.O. Membranes	(\$1,348.00)	
Remove 1/2 of R.O. Membrane Costs	(\$1,348.00)	
	<u>(\$6,930.01)</u>	<u>(\$4,234.01)</u>

RECOMMENDATION: Reduce water Operation and maintenance expenses on MFR B-1 by \$6,930.01 and sewer Operation and maintenance expenses on MFR B-2 by \$4,234.02.

AUDIT EXCEPTION NO. 3

SUBJECT: Proforma on Miscellaneous Revenues

STATEMENT OF FACT: The company made a proforma adjustment on the attached Net Operating Income Schedule in Section V, to reclass nonutility revenues to utility revenues in the amount of \$8,993.

AUDIT OPINION: The utility has overstated miscellaneous revenues by \$4,375.00 (25 meter installations @ \$175). The 25 meter installations were correctly reported as CIAC in the MFR's but inadvertently duplicated as miscellaneous revenue also.

The correct amount for Miscellaneous Utility Revenue should be as follows:

	Amount
Work Orders	\$3,138.38
Late Charges	\$1,480.00

	\$4,618.38
	=====

RECOMMENDATION: Utility revenues on the attached Net Operating Income Schedule on Section V, should be decreased by \$4,375.00(\$8,993-4,618.38).

IV. AUDIT DISCLOSURES

AUDIT DISCLOSURE NUMBER 1

SUBJECT: TAX RETURNS

STATEMENT OF FACTS: The company did not depreciate \$1,016,057 of plant additions made in 1983 and 1984 for tax purposes as disclosed in the last audit, docket 891114-WS. In addition, in that audit, the company could not provide staff with a separate tax balance sheet for their 1987 and 1988 tax returns. As discussed in Section II of the report, due to time restrictions, staff did not have time to follow up on these items for the recent tax years.

OPINION: Plant not depreciated for tax purposes indicates contributed plant. However, according to the letter included in the audit report for docket 891114-WS, this was done in error and was going to be corrected.

COMPANY COMMENTS: See prior audit report.

AUDIT DISCLOSURE NUMBER 2

SUBJECT: FORECASTED PLANT

STATEMENT OF FACT: Included in the company's forecast of plant additions, on MFR A-1, is an estimate for the water and wastewater treatment plant expansion and a 20% contingency reserve as follows:

	WATER	SEWER
ESTIMATES FOR EXPANSION	294,000	263,000
CONTINGENCY	20.00%	20.00%
	58,800	52,600
TOTAL PROJECTED COSTS	352,800	315,600

AUDIT DISCLOSURE NUMBER 3

SUBJECT: TEST YEAR DEPRECIATION EXPENSE

STATEMENT OF FACTS: Although depreciation expense for the forecasted test year 1992 was computed using forecasted plant times the rates from rule 25-30.140, the company did not use the rates in the rule for test year depreciation and did not prepare a proforma to adjust the test year.

OPINION: Depreciation was calculated for the test year using the rates in the rule and is as follows:

ACCOUNT	RATES	MFR A-5-WATER AVERAGE PLANT	WATER DEPRECIATION
304	3.03%	759,275	23,006
307	3.33%	267,502	8,908
311	5.00%	58,817	2,941
320	4.55%	290,697	13,227
330	2.70%	296,640	8,009
331	2.33%	475,254	11,073
334	5.00%	17,093	855
335	2.22%	15,597	346
339	4.00%	395	16
340	6.67%	980	65
341	16.67%	148	25
343	6.25%	421	26
348	10.00%	81	8
		<hr/>	<hr/>
		2,182,900	68,505
Depreciation Expense excluding meter adjustment per MFR A-8 P.2			<hr/>
			55,463
			<hr/>
			13,042
			<hr/>

ACCOUNT	RATES	MFR A-5-SEWER AVERAGE PLANT	SEWER DEPRECIATION
354	3.13%	1,756	55
360	2.50%	541,814	13,545
370	3.30%	7,815	258
371	5.56%	29,893	1,662
380	5.56%	733,852	40,802
381	2.86%	208,910	5,975
389	5.56%	516	29
390	6.67%	980	65
391	16.67%	148	25
393	6.25%	421	26
395	8.33%	676	56
398	10.00%	470	47
		1,527,251	62,546
Depreciation Expense excluding adjustment per MFR A-8 P.2			33,437
Difference			29,109

Staff advisory bulletin number 17 states that the "guideline depreciation rates will not be implemented for any company until that company participates in a proceeding before this commission wither for (1) revised water and/or sewer rates and charges, or (2) a specific request for changes in depreciation rates." The company did have a rate case, docket 891114-WS, however, it was never completed.

AUDIT DISCLOSURE NUMBER 4

SUBJECT: AMORTIZATION OF CIAC

STATEMENT OF FACTS: The company has recorded \$22,571 for amortization of CIAC water and \$20,024 in their MFR A-12 page 2 for forecasted 1992.

OPINION: Staff calculated amortization as follows:

	WATER	SEWER
DEP. PER MFR B-10 & 11	89,700	95,296
EXCL. GENERAL PLANT		
PLANT PER MFR P. 21 & 23	2,809,034	2,426,241
EXCL. GENERAL PLANT		
COMPOSITE RATE	3.19%	3.93%
FORECASTED AVERAGE CIAC AT 6/92 PER MFR P. 33	753,403	509,800
STAFF FORECASTED AMORT.	24,058	20,024
PER COMPANY MFR A-12	22,571	20,024
DIFFERENCE	1,487	(0)

Due to time restrictions, staff was unable to determine the reason for the difference in water amortization.

COMPANY COMMENT: The company withholds comment at this time.

AUDIT DISCLOSURE NO. 5

SUBJECT: Employee Wages

STATEMENT OF FACT: The utility's employees salaries for 1989 and for 1990 included in the Net Operating Schedule attached in Section V, were as follows:

	<u>June 30, 1989</u>	<u>June 30, 1990</u>
R. J. MARX	\$37,618.00	\$39,038.00
A. SARNO	\$23,151.00	\$27,746.00
M. D. GARBER	\$17,050.00	\$18,677.00

AUDIT OPINION: The increase in each employee's salary from 1989 to 1990 is computed as follows:

	<u>June 30, 1989</u>	<u>June 30, 1990</u>	<u>INCREASE</u>	<u>INCREASE</u>
R. J. MARX	\$37,618.00	\$39,038.00	\$1,420.00	3.7748%
A. SARNO	\$23,151.00	\$27,746.00	\$4,595.00	19.8480%
M. D. GARBER	\$17,050.00	\$18,677.00	\$1,627.00	9.5425%

AUDIT DISCLOSURE NO. 6

SUBJECT: 1989 Rate Case Expenses

STATEMENT OF FACT: The company removed \$68,373.55 of expenses from the test year for the 1989 rate case expense and charged them to account 186 using MFR B-3 O & M Detail Reclass. Although the invoices were removed, staff did not have time to review the methodology of amortizing these expenses from the 186 account.

Schedule of Water Rate Base
 Company: Sailfish Point Utility Corporation
 Docket No.: 900816-WS
 Test Year Ended: June, 1992
 Interim [] Final [X] Historical [X] Projected [X]

Florida Public Service Commission
 Schedule: A-1
 Page 1 of 1
 Preparer: Seidman, F.

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. If method other than formula approach (1/8 O&M) is used to determine working capital, provide additional schedule showing detail calculation.

Line No.	(1) Description	(2) Balance Per Books	(3) 1990 Utility Adjustments	(4) Adjusted 6/30/90 Balance	(5) 1991 Utility Adjustments	(6) Intermediate Yr Balance 6/30/91	(7) 1992 Utility Adjustments	(8) Projected Yr Balance 6/30/92	(9) Supporting Schedule(s)
1	Utility Plant in Service	2,159,783	23,114	2,182,897	243,884	2,426,780	398,395	2,825,175	A-5
2	Utility Land & Land Rights	19,500	0	19,500	0	19,500	0	19,500	A-5
3	Less: Non-Used & Useful Plant	(166,431)	0	(166,431)	(23,682)	(190,113)	5,128	(184,985)	A-7
4	Construction Work in Progress	405,136	(405,136)	0	0	0	0	0	A-3
5	Less: Accumulated Depreciation	(443,584)	(4,586)	(448,170)	(67,276)	(515,446)	(81,006)	(596,452)	A-9
6	Less: CIAC	(528,493)	(17,093)	(545,586)	(128,468)	(674,053)	(79,350)	(753,403)	A-11
7	Accumulated Amortization of CIAC	63,850	4,274	68,124	23,093	91,217	22,160	113,377	A-12
8	Acquisition Adjustments	0	0	0	0	0	0	0	--
9	Accum. Amort. of Acq. Adjustments	0	0	0	0	0	0	0	--
10	Advances for Construction	0	0	0	0	0	0	0	A-14
11	CIAC Deferred Tax Debit	0	106,987	106,987	24,709	131,696	24,370	156,066	A-3
12	Working Capital Allowance	24,736	(799)	23,937	1,614	25,552	4,234	29,786	A-15
13	Total Rate Base	1,534,496	(293,239)	1,241,257	73,875	1,315,132	293,931	1,609,063	

Schedule of Sewer Rate Base

Company: Sailfish Point Utility Corporation

Docket No.: 900816-WS

Test Year Ended: June, 1992

Interim [] Final [X] Historical [X] Projected [X]

Florida Public Service Commission

Schedule: A-2

Page 1 of 1

Preparer: Seidman, F.

Explanation: Provide the calculation of average rate base for the test year, showing all adjustments. All non-used and useful items should be reported as Plant Held For Future Use. If method other than formula approach (1/8 O&M) is used to determine working capital, provide additional schedule showing detail calculation.

Line No.	(1) Description	(2) Balance Per Books	(3) 1990 Utility Adjustments	(4) Adjusted 6/30/90 Balance	(5) 1991 Utility Adjustments	(6) Intermediate Yr Balance 6/30/91	(7) 1992 Utility Adjustments	(8) Projected Yr Balance 6/30/92	(9) Supporting Schedule(s)
1	Utility Plant in Service	1,518,886	8,362	1,527,248	462,813	1,990,061	454,451	2,444,511	A-6
2	Utility Land & Land Rights	19,500	0	19,500	0	19,500	0	19,500	A-6
3	Less: Non-Used & Useful Plant	(319,411)	0	(319,411)	(36,522)	(355,933)	56,966	(298,966)	A-7
4	Construction Work in Progress	559,474	(559,474)	0	0	0	0	0	A-3
5	Less: Accumulated Depreciation	(282,301)	(473)	(282,773)	(57,407)	(340,180)	(89,157)	(429,337)	A-10
6	Less: CIAC	(399,250)	0	(399,250)	(65,250)	(464,500)	(45,300)	(509,800)	A-11
7	Accumulated Amortization of CIAC	48,228	0	48,228	14,698	62,926	19,277	82,203	A-12
8	Acquisition Adjustments	0	0	0	0	0	0	0	-
9	Accum. Amort. of Acq. Adjustments	0	0	0	0	0	0	0	-
10	Advances for Construction	0	0	0	0	0	0	0	A-14
11	CIAC Deferred Tax Debit	0	64,333	64,333	14,822	79,155	14,618	93,773	A-3
12	Working Capital Allowance	19,266	(3,035)	16,232	1,005	17,237	3,544	20,781	A-15
13	Total Rate Base	1,164,393	(490,286)	674,106	334,159	1,008,265	414,399	1,422,664	

Schedule of Water Net Operating Income

Florida Public Service Commission

Company: Sailfish Point Utility Corporation
 Schedule Year Ended: June, 1992
 Interim [] Final [X]
 Historic [X] or Projected [X]

Schedule: B-1
 Page 1_ of 1_
 Docket No.: 900816-US
 Preparer: Seidman, F.

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Historic Yr Adjustments	(4) Utility Adjusted Historic Yr	(5) Intermediate Year 1991 Adjustments	(6) Intermediate Year 6/30/91	(7) Projected Year 1992 Adjustments	(8) Projected Year 6/30/92	(9) Requested Revenue Adjustment	(10) Requested Annual Revenues	(11) Supporting Schedule(s)
1	OPERATING REVENUES	139,201	22,379	161,581	11,193	172,773	28,287	201,060	371,755	572,814	E-2,5, B-3
17 2	Operation & Maintenance	197,888	(6,390)	191,498	12,914	204,412	13,853	218,265	20,022	238,287	B-4, B-3
3	Depreciation, net of CIAC Amort.	24,458	2,218	26,676	18,131	44,807	17,539	62,346		62,346	B-10
42 4	Amortization	0		0	0	0	0	0		0	
5	Taxes Other Than Income	34,352	165	34,517	816	35,333	7,385	42,719	16,729	59,448	B-12
6	Provision for Income Taxes	(67,500)	67,500	0	0	0	0	0	53,871	53,871	B-3, Tax detail
7	OPERATING EXPENSES	189,199	63,493	252,691	31,861	284,552	38,778	323,330	90,622	413,951	
8	NET OPERATING INCOME	(49,998)	(41,113)	(91,111)	(20,668)	(111,779)	(10,491)	(122,270)	281,133	158,863	
9	RATE BASE	1,534,496	(293,239)	1,241,257	73,875	1,315,132	293,931	1,609,063		1,609,063	
10	RATE OF RETURN	(3.26%)		(7.34%)		(8.50%)		(7.60%)		9.87%	

Schedule of Sewer Net Operating Income

Florida Public Service Commission

Company: Sailfish Point Utility Corporation

Schedule: B-2

Schedule Year Ended: June, 1992

Page 1_ of 1_

Interim [] Final [X]

Docket No.: 900816-WS

Historic [X] or Projected [X]

Preparer: Seidman, F.

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Historic Yr Adjustments	(4) Utility Adjusted Historic Yr	(5) Intermediate Year 1991 Adjustments	(6) Intermediate Year 6/30/91	(7) Projected Year 1992 Adjustments	(8) Projected Year 6/30/92	(9) Requested Revenue Adjustment	(10) Requested Annual Revenues	(11) Supporting Schedule(s)
1	OPERATING REVENUES	84,175	8,821	92,996	9,802	102,798	12,872	115,670	361,910	477,580	E-2,5,8-3
2	Operation & Maintenance	154,130	(24,778)	129,852	8,040	137,892	8,331	146,223	20,022	166,245	B-6, B-3
3	Depreciation, net of CIAC Amort.	13,695	864	14,559	32,008	46,567	20,340	66,907		66,907	B-11
4	Amortization	0		0	0	0	0	0		0	
5	Taxes Other Than Income	34,352	(12,389)	21,963	2,952	24,916	15,338	40,254	16,286	56,540	B-12
6	Provision for Income Taxes	(67,500)	67,500	0	0	0	0	0	47,427	47,427	B-3, Tax detail
7	OPERATING EXPENSES	134,678	31,697	166,374	43,001	209,375	44,010	253,385	83,735	337,120	
8	NET OPERATING INCOME	(50,502)	(22,875)	(73,378)	(33,199)	(106,577)	(31,138)	(137,715)	278,175	140,460	
9	RATE BASE	1,164,393	(490,286)	674,106	334,159	1,008,265	414,399	1,422,664		1,422,664	
10	RATE OF RETURN	(4.34%)		(10.89%)		(10.57%)		(9.68%)		9.87%	

Commissioners:

**THOMAS M. BEARD, CHAIRMAN
GERALD L. GUNTER
MICHAEL WILSON
BETTY BASLEY
J. TERRY DEASON**

State of Florida



STEVE TRIBBLE, Director
Division of Records and Reporting
(904) 488-8371

Public Service Commission

April 12, 1991

Sailfish Point Utility Corporation
Attn: Mr. Paul Sklansky
6929 S. E. South Marina Way
Stuart, Florida 34996-1907

Dear Mr. Sklansky:

Docket No. 900816-WS -- Sailfish Point Utility Corporation
Rate Case Audit

The enclosed report is forwarded for your review.

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

Thank you for your cooperation.

Sincerely,

Steve Tribble

ST/FD/ss
Enclosure

cc: Ben Girtman, Esq. w/enclosure