

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: November 6, 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.: 20250094-WS
Company Name: GCP Plantation Landings, LLC
Company Code: WS960
Audit Purpose: A1b: Staff-Assisted Rate Case
Audit Control No.: 2025-220-1-1

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

GCP Plantation Landings, LLC
Staff-Assisted Rate Case

Historical Test Year Ended December 31, 2024

Docket No. 20250094-WS
Audit Control No. 2025-220-1-1
November 4, 2025

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

Wesley Thurmond
Audit Manager

A handwritten signature in black ink, appearing to read "Kathryn Guan", written over a horizontal line.

Kathryn Guan
Audit Staff

A handwritten signature in blue ink, appearing to read "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 August 7, 2025. We have applied these procedures to the attached schedules prepared by the audit staff in support of GCP Plantation Landings, LLC's request for a Staff-Assisted Rate Case in Docket No. 20250094-WS.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Utility refers to GCP Plantation Landings, 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

GCP Plantation Landings, LLC is a Class C Utility providing water service to 388 residential customers and one general service customer in Polk County. The Utility also provides wastewater service to 391 residential customers and one general service customer in Polk County. The Utility is a wholly-owned subsidiary of Sun Communities Operating Limited Partnership.

Commission Order No. PSC-2013-0121-PAA-WS, issued on March 11, 2013, in Docket No. 20120219-WS granted the Utility a transfer of certificate for the water and wastewater systems.

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 2017 to 2024. They could not provide a ledger for rate base items prior to 2017. The general ledger provided did not always have sufficient detail. 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, 2011 from Commission Order No. PSC-2013-0121-PAA-WS to the Utility's annual reports. We found the Utility did not properly classify the Commission ordered adjustments from the above Order. We made these adjustments. For the years 2018-2023, the Utility provided a ledger and stated they were unable to provide any invoices for plant additions from 2011-2023. For December 31, 2011 to December 31, 2017, we used the Utility's plant additions found in the annual reports. We did trace additions to plant in service in 2024 to invoices. Audit staff notes the Utility made no retirements. We believe retirements are necessary but lacked the information required to make those retirements. 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, 2011 from Commission Order No. PSC-2013-0121-PAA-WS to the Utility's annual reports. The Utility stated no land has been purchased or sold since the last proceeding We verified the Utility owns the land by reviewing the deed documentation. We determined the year-end balance and the simple average balance as of December 31, 2024. See Finding 1.

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, 2011 from Commission Order No. PSC-2013-0121-PAA-WS to the Utility's 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 and 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 allowance 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 allowance 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 USoA.

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 Findings 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 traced expenses to invoices and other 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 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 and Land

Audit Analysis: Audit staff determined the UPIS balance as of December 31, 2024 should be \$675,709 for water, and \$728,647 for wastewater. Further we determined the balance of land should be \$1,164 for water, and \$17,678 for wastewater based on the prior order. The Utility stated it could only provide a ledger from January 1, 2018 to December 31, 2024 and could only provide invoices for the test year 2024. Thus, the audit of UPIS is broken into three time periods below.

- a. December 31, 2011 to December 31, 2017. The Utility could provide no ledger and no invoices for this time period. Thus, audit staff used the balances determined in Commission Order No. PSC-2013-0121-PAA-WS as a starting point and used the Utility's annual reports for determining UPIS additions and retirements. Audit staff found the Utility did not make the adjustments ordered in Order No. PSC-2013-0121-PAA-WS. We made these adjustments in our recalculation of UPIS.
- b. January 1, 2017 to December 31, 2023. Initially the Utility stated it could provide no invoices for this time period but did provide a ledger of plant additions. Upon review of the ledger, audit staff found, based on the short description of the additions in the ledger, that the Utility did not properly classify additions in this time period. We went item by item, determining to the best of our ability, the correct account each item should go into and made the appropriate adjustments. For the items that did not contain adequate detail to determine the appropriate account, the Utility was able to provide the invoices for those items (though the Utility initially stated no invoices for that time period were available).
- c. January 1, 2024 to December 31, 2024. The Utility was able to provide a ledger as well as all associated invoices. Audit staff reviewed all invoices for correct time period, amount, and classification. Audit staff found one item was placed into service in 2023 and one item did not include the full amount for the replacement.

We also found that the land in the Utility's ledger was not valued at original cost. We decreased the value of water and wastewater land to reflect the balances determined in Commission Order No. PSC-2013-0121-PAA-WS. See Table 1-1.

Audit staff compiled the above information into a spreadsheet and compared it to the Annual Report figures of the Utility (since the Utility did not have a continuous ledger for the entire period). Audit staff determined that UPIS (including land) was understated by \$4,169 for water, and overstated by \$81,776 for wastewater. See Table 1-1.

Lastly, staff would note the utility made no retirements from December 31, 2011 to December 31, 2024. Additionally for January 1, 2017 to December 31, 2024, we were aware the Utility did not correctly classify additions. We classified each item into what we believe to be the correct NARUC USoA accounts based on our limited information. However, we would defer to

technical staff for the final classifications. We would also note that while audit staff believes retirements should have been made, the Utility could not provide the information required for staff to know the proper amounts that should have been retired. Audit staff defers to technical staff for retirements as well.

Table 1-1 Utility Plant in Service and Land

Water					
Acct. #	Acct. Description	Per Annual Report	Adjustment	Per Audit	Simple Ave.
301	Organization	\$ 350	\$ (350)	\$ -	\$ -
302	Franchises	\$ 900	\$ (900)	\$ -	\$ -
303	Land and Land Rights	\$ 14,970	\$ (13,806)	\$ 1,164	\$ 1,164
304	Structures and Improvements	\$ 47,468	\$ (19,931)	\$ 27,537	\$ 24,691
306	Lake, River and Other Intakes	\$ -	\$ 12,000	\$ 12,000	\$ 12,000
307	Wells and Springs	\$ 40,956	\$ (16,955)	\$ 24,001	\$ 24,001
309	Supply Mains	\$ 15,088	\$ (4,865)	\$ 10,223	\$ 10,223
310	Power Generation Equipment	\$ 124,128	\$ (24,932)	\$ 99,196	\$ 99,196
311	Pumping Equipment	\$ 2,099	\$ 26,567	\$ 28,666	\$ 28,666
320	Water Treatment Equipment	\$ 50,053	\$ (6,515)	\$ 43,538	\$ 43,538
330	Distribution Reservoirs and Standpipes	\$ 84,319	\$ 57,089	\$ 141,408	\$ 141,408
331	Transmission and Distribution Lines	\$ 111,221	\$ (63,667)	\$ 47,554	\$ 46,814
333	Services	\$ 26,744	\$ 14,612	\$ 41,356	\$ 41,356
334	Meters and Meter Installations	\$ 132,295	\$ 39,819	\$ 172,114	\$ 169,596
335	Hydrants	\$ 9,648	\$ 7,524	\$ 17,172	\$ 17,172
336	Backflow Prevention Devices	\$ 5,500	\$ 3,686	\$ 9,186	\$ 6,436
339	Other Plant and Misc.s Equipment	\$ 5,207	\$ (5,207)	\$ -	\$ -
341	Transportation Equipment	\$ 594	\$ 0	\$ 594	\$ 594
Total		\$ 671,540	\$ 4,169	\$ 675,709	\$ 666,855
Wastewater					
Acct. #	Acct. Description	Per Annual Report	Adjustment	Per Audit	Simple Ave.
351	Organization	\$ 400	\$ (400)	\$ -	\$ -
352	Franchises	\$ 1,014	\$ (1,014)	\$ -	\$ -
353	Land and Land Rights	\$ 78,192	\$ (60,514)	\$ 17,678	\$ 17,678
354	Structure and Improvements	\$ 242,727	\$ (170,493)	\$ 72,234	\$ 72,234
355	Power Generation Equipment	\$ -	\$ 47,696	\$ 47,696	\$ 47,696
360	Collection Sewers - Force	\$ 21,650	\$ (8,019)	\$ 13,631	\$ 13,631
361	Collection Sewers - Gravity	\$ 117,470	\$ 133,862	\$ 251,332	\$ 251,332
363	Services to Customers	\$ 29,050	\$ (29,050)	\$ -	\$ -
364	Flow Measuring Devices	\$ 5,779	\$ 1,888	\$ 7,666	\$ 7,666
365	Flow Measuring Installations	\$ -	\$ 7,582	\$ 7,582	\$ 7,582
370	Receiving Wells	\$ 9,933	\$ 45,017	\$ 54,950	\$ 54,950
371	Pumping Equipment	\$ 162,452	\$ (106,428)	\$ 56,025	\$ 55,196
380	Treatment & Disposal Equipment	\$ 141,162	\$ 40,387	\$ 181,549	\$ 163,503
381	Plant Sewers	\$ -	\$ 691	\$ 691	\$ 691
382	Outfall Sewer Lines	\$ -	\$ 17,020	\$ 17,020	\$ 17,020
391	Transportation Equipment	\$ 594	\$ 0	\$ 594	\$ 594
Total		\$ 810,423	\$ (81,776)	\$ 728,647	\$ 709,772

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 the proper amount of Accumulated Depreciation as of December 31, 2024 should be \$397,944 for water, and \$520,594 for wastewater. Further we determined the proper amount of depreciation expense should be \$25,301 for water, and \$29,287 for wastewater.

Due to the volume of adjustments to UPIS discussed in Finding 1, audit staff recalculated depreciation from December 31, 2011 to December 31, 2024. We found that due to the differences in plant as well as the Utility using incorrect depreciation rates, accumulated depreciation should be decreased by \$33,538 for water, and increased by \$28,893 for wastewater. Further, Depreciation expense should be increased by \$939 for water, and \$7,876 for wastewater. Audit staff notes depreciation for Account 391 includes salvage value in our calculation. See Tables 2-1 and 2-2 below.

Table 2-1 Accumulated Depreciation

Water					
Acct. #	Acct. Description	Per Annual Report	Adjustments	Per Audit	Simple Ave
301	Organization	\$ 90	\$ (90)	\$ -	\$ -
302	Franchises	\$ 230	\$ (230)	\$ -	\$ -
304	Structures and Improvement:	\$ 19,809	\$ (11,949)	\$ 7,859	\$ 7,507
306	Lake, River and Other Intakes	\$ -	\$ 1,350	\$ 1,350	\$ 1,200
307	Wells and Springs	\$ 41,548	\$ (19,061)	\$ 22,488	\$ 22,043
309	Supply Mains	\$ 15,088	\$ (11,469)	\$ 3,618	\$ 3,459
310	Power Generation Equipmen	\$ 106,021	\$ (33,470)	\$ 72,551	\$ 69,633
311	Pumping Equipment	\$ 1,148	\$ 27,518	\$ 28,666	\$ 28,666
320	Water Treatment Equipment	\$ 12,285	\$ 6,868	\$ 19,153	\$ 17,873
330	Distribution Reservoirs and S	\$ 38,679	\$ 29,677	\$ 68,356	\$ 66,213
331	Transmission and Distributor	\$ 31,480	\$ 30,728	\$ 62,208	\$ 62,208
333	Services	\$ 26,950	\$ 14,406	\$ 41,356	\$ 41,356
334	Meters and Meter Installatio	\$ 126,292	\$ (72,053)	\$ 54,239	\$ 49,251
335	Hydrants	\$ 9,282	\$ 6,817	\$ 16,099	\$ 15,884
336	Backflow Prevention Devices	\$ 138	\$ (138)	\$ -	\$ -
339	Other Plant and Misc. Equipm	\$ 1,897	\$ (1,897)	\$ -	\$ -
341	Transportation Equipment	\$ 545	\$ (545)	\$ -	\$ -
Total		\$ 431,481	\$ (33,538)	\$ 397,944	\$ 385,293

Wastewater					
		Per Annual Report	Adjustments	Per Audit	Simple Ave
351	Organization	\$ 100	\$ (100)	\$ -	\$ -
352	Franchises	\$ 250	\$ (250)	\$ -	\$ -
354	Structure and Improvements	\$ 98,396	\$ (80,763)	\$ 17,632	\$ 16,295
355	Power Generation Equipmen	\$ -	\$ 9,820	\$ 9,820	\$ 8,417
360	Collection Sewers - Force	\$ 21,650	\$ (17,914)	\$ 3,735	\$ 3,483
361	Collection Sewers - Gravity	\$ 123,344	\$ 122,577	\$ 245,921	\$ 242,779
363	Services to Customers	\$ 29,050	\$ (29,050)	\$ -	\$ -
364	Flow Measuring Devices	\$ 5,779	\$ (435)	\$ 5,344	\$ 4,578
365	Flow Measuring Installations	\$ -	\$ 975	\$ 975	\$ 866
370	Receiving Wells	\$ 2,184	\$ 52,766	\$ 54,950	\$ 54,950
371	Pumping Equipment	\$ 160,840	\$ (141,766)	\$ 19,074	\$ 17,234
380	Treatment & Disposal Equipm	\$ 49,564	\$ 111,666	\$ 161,230	\$ 155,780
381	Plant Sewers	\$ -	\$ 76	\$ 76	\$ 65
382	Outfall Sewer Lines	\$ -	\$ 1,292	\$ 1,292	\$ 1,008
391	Transportation Equipment	\$ 545	\$ (0)	\$ 545	\$ 495
Total		\$ 491,701	\$ 28,893	\$ 520,594	\$ 505,951

Table 2-2 Depreciation Expense

Depreciation Expense				
	Per Utility AR	Adj.		Per Audit
W	\$ 24,362	\$ 939	\$	25,301
WW	\$ 21,411	\$ 7,876	\$	29,287
	\$ 45,773	\$ 8,814	\$	54,587

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. Further, the test year Depreciation expense should be adjusted to reflect the balances shown in Table 2-2 above.

Finding 3: Operating Revenue

Audit Analysis: The Utility recorded all the water and wastewater customers as residential and with a meter size of 5/8" in the billing register. However, audit staff determined there was a general service customer for both water and wastewater with a meter size of 6".

The Utility did use the correct rates for wastewater. However, the Utility used the incorrect base charge for water service. Audit staff determined that the Utility over-charged the base rate at \$5.74/month for water residential and \$286.24/month for water general service customers, which were different from the Commission-approved water tariff rates of \$5.72/month for residential and \$286.00/month for general service.

In addition, there were four wastewater customers that had no usage, but were charged with the incorrect base rate. There were three wastewater customers that were charged twice (duplicate), Audit staff removed the duplicates from the billing analysis and billing register. There were 22 wastewater customers during the year that had usages, but the Utility did not charge them in the billing register. In addition, there were three customers that had "NA" reflected in the usage, but were charged in the billing register.

Audit staff 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 the revenues of water and wastewater of \$157,991, however, audit staff recalculated the total revenues of water and wastewater to be \$169,029 based on our billing analysis. Based on the annual report of 2024, the Utility had the water revenues of \$65,900, audit staff recalculated the water revenues of \$67,092; the Utility had the wastewater revenues of \$100,535, audit staff recalculated the wastewater revenues of \$101,938.

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

Effect on the Filing: The water revenues the Utility for the historical test year ended December 31, 2024 should be increased by \$1,192 ($\$67,092 - \$65,900 = \$1,192$), and the wastewater revenues the Utility for the historical test year ended December 31, 2024 should be increased by \$1,403 ($\$101,938 - \$100,535 = \$1,403$).

Finding 4: Incorrect Rates in Customer Bills

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

The Utility charged the base rate of \$5.74/month for water residential customers and \$286.24/month for water general service customer, instead of the Commission-approved base rate of \$5.72/month for water residential customers and \$286.00/month for water general service customer.

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: Operation and Maintenance Expense

Audit Analysis: Audit staff reviewed all invoices for the Utility's O&M expenses for the test year. We audited O&M invoices on an invoice by invoice basis and compared the totals to the annual report totals. 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. See Tables 5-1 and 5-2

Account 601 – Salaries and Wages Employees. Annual Report, application, and Utility general ledger initially reported \$0 in Accounts 601. When asked, the Utility provided a payroll ledger and stated the payroll was incorrectly omitted. In the ledger, the Utility included only allocated payroll and did not include allocated employee benefits or payroll taxes. We recalculated Account 601 using the Utility's allocation methodology and included employee benefits and payroll taxes. Audit staff notes that the employee and employer portions of payroll taxes are included in Account 601.

Account 616 – Fuel for Power Production. Fuel was used for Utility generators. Audit staff increased Account 616 due to transferring an invoice from Account 650.

Account 618 – Chemicals. Audit staff decreased Account 618 due to removing one invoice that was outside of the test year.

Account 631 – Contractual Services – Engineering.

- We removed 3 invoices from Account 631 because they were out of period.
- For General Utilities Bills, each bill contains multiple items that should be allocated between multiple accounts. The Utility originally incorrectly allocated the items in the invoices. Audit staff reallocated each of the invoices on a line by line basis. We determined \$12,544 is the correct amount that should be allocated to account 631 from General Utilities invoices.
- We transferred 3 invoices from Account 635 to Account 631.
- We transferred 14 invoices from Account 636 to Account 631.
- Audit staff would also note \$3,652 of the balance included in adjusted Account 631 is for Environmental Protection Agency (EPA) related expenses.

Account 635 – Contractual Services – Testing. We moved 3 invoices from Account 635 to Account 631. We also increased Account 635 due to reallocations of General Utilities Bills.

Account 636 – Contractual Services – Other. We transferred 14 invoices from Account 636 to Account 631. We also removed an invoice that was out of period. Lastly, we transferred an invoice from Account 636 evenly allocating it between Accounts 675 and 775.

Account 650 – Transportation. We transferred an invoice from Account 650, evenly allocating it to both Accounts 616 and 716.

Account 675 Misc. Expenses. We transferred an invoice from Account 636 to Account 675.

Account 701 Salaries and Wages Employees. The Utility initially reported \$0 in Account 701. When asked, they provided a salaries ledger. In the ledger, the Utility included only allocated payroll and did not include allocated employee benefits or payroll taxes. We recalculated

Account 701 using the Utility's allocation methodology and included employee benefits and payroll taxes. Audit staff notes that the employer portion of payroll taxes are included in Account 701.

Account 716 – Fuel for Power Production. Audit staff increased Account 716 due to transferring an invoice for purchased fuel from Account 750 to Account 716.

Account 718 – Chemicals. Audit staff increased Account 718 due to transferring an invoice from Account 720 to Account 718.

Account 720 – Materials and Supplies. Audit staff decreased Account 720 due to transferring an invoice from Account 720 to Account 718.

Account 731 – Contractual Services – Engineering.

- Audit staff all removed legal costs associated with old cases and annual reports included in Account 731, thus reducing Account 731. When asked, the Utility stated none of the legal expenses included in the O&M ledger were for the current case. The Utility originally included 12 bills for \$3,725 each for monthly lawn care. Only \$975 of each invoice were for lawn service for the water treatment plant. Thus, we reduced each bill by \$2,750 to reflect only lawn care expenses for the Utility. However, we would note that while we have no methodology to find the appropriate amount for monthly lawn care we suspect the amount is still too high.

Account 736 - Contractual Services – Other. Audit staff transferred invoices from Account 736 to Account 731. Additionally, we removed an invoice from Account 736 and evenly allocated it between Accounts 675 and 775.

Account 750 - Transportation Expense. We transferred an invoice from Account 750, evenly allocating it to Accounts 616 and 716.

Account 775 – Misc. Expense. We transferred an invoice from Account 636 to Account 675.

Table 5-1

		Water		
Acct. #	Acct. Description	Per Annual Report	Adjustments	Per Audit
601	Salaries & Wages Employees	\$ -	\$ 5,218	\$ 5,218
615	Purchased Power	\$ -	\$ -	\$ -
616	Fuel for Power Production	\$ -	\$ 256	\$ 256
618	Chemicals	\$ 12,443	\$ (311)	\$ 12,132
620	Materials & Supplies	\$ 240	\$ -	\$ 240
630	CS - Billing	\$ 3,298	\$ 204	\$ 3,502
631	CS - Engineering	\$ 29,725	\$ (7,263)	\$ 22,462
635	CS - Testing	\$ 2,983	\$ (484)	\$ 2,499
636	CS - Other	\$ 7,150	\$ (7,150)	\$ -
650	Transportation Expense	\$ 256	\$ (256)	\$ -
675	Misc. Expense	\$ 135	\$ 60	\$ 195
Total Water O&M		\$ 56,230	\$ (9,726)	\$ 46,503

Table 5-2

Wastewater				
Acct. #	Acct. Description	Per Annual Report	Adjustments	Per Audit
701	Salaries & Wages Employees	\$ -	\$ 5,218	\$ 5,218
711	Sludge Removal Expense	\$ 18,850	\$ -	\$ 18,850
716	Fuel for Power Production	\$ -	\$ 256	\$ 256
718	Chemicals	\$ 27,330	\$ 499	\$ 27,829
720	Materials and Supplies	\$ 1,799	\$ (499)	\$ 1,300
730	Contractual Services - Billing	\$ 3,298	\$ 204	\$ 3,502
731	Contractual Services - ENG	\$ 45,740	\$ (13,157)	\$ 32,583
736	Contractual Services - Other	\$ 7,103	\$ (5,068)	\$ 2,035
750	Transportation Expense	\$ 256	\$ (256)	\$ -
775	Misc. Expense	\$ -	\$ 60	\$ 60
Total Wastewater O&M		\$ 104,376	\$ (12,743)	\$ 91,572

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

Effect on the Filing: The test year O&M expenses should be adjusted to the balances shown tables 5-1 and 5-2 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 Accounts 601 and 701 – Salaries Employees.

Property Taxes – The Utility initially recorded \$0 for property taxes. The Utility later reflected \$318,946. We found the Utility included property taxes for non-utility property. We allocated property taxes based on the portion of property that was used for Utility service per Commission Order No. PSC-2008-0548-PAA-WS.

Regulatory Assessment Fees (RAFs) – The Utility paid \$2,966 and \$4,524 in water and wastewater RAFs, respectively, 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 water and wastewater RAFs be increased by \$53 and \$63, respectively. This results in a 2024 RAFs amount of \$3,019 for water, and \$4,587 for wastewater. See Table 6-1 below for a summary of TOTI adjustments.

Table 6-1

Water			
	Per Utility	Adjustment	Per Audit
Property Taxes	\$ -	\$ 508	\$ 508
Payroll Taxes	\$ -	\$ -	\$ -
RAFs	\$ 2,966	\$ 53	\$ 3,019
TOTI	\$ 2,966	\$ 561	\$ 3,527
Wastewater			
	Per Utility	Adjustment	Per Audit
Property Taxes	\$ -	\$ 2,320	\$ 2,320
Payroll Taxes	\$ -	\$ -	\$ -
RAFs	\$ 4,524	\$ 63	\$ 4,587
TOTI	\$ 4,524	\$ 2,383	\$ 6,907

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

Effect on the Filing: The balance of TOTI should be adjusted to reflect the amounts shown on Table 6-1.

Exhibits

Exhibit 1: Water Rate Base

**GCP PLANTATION LANDINGS, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250094-WS; ACN 2025-220-1-1
SCHEDULE OF WATER RATE BASE**

Description	Per Utility 12/31/2024	Adjustment	Audit Finding	Per Audit 12/31/2024	Simple Average
Utility Plant in Service	\$ 656,570	\$ 17,975	1	\$ 674,545	\$ 665,691
Land	\$ 14,970	\$ (13,806)	1	\$ 1,164	\$ 1,164
Plant in Service	\$ 671,540	\$ 4,169		\$ 675,709	\$ 666,855
Accumulated Depreciation	\$ (431,481)	\$ 33,538	2	\$ (397,944)	\$ (385,293)
Working Capital		\$ 6,106		\$ 6,106	\$ 6,106
Rate Base - Water	\$ 240,059	\$ 43,813		\$ 283,872	\$ 287,668

Exhibit 2: Wastewater Rate Base

**GCP PLANTATION LANDINGS, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250094-WS; ACN 2025-220-1-1
SCHEDULE OF WASTEWATER RATE BASE**

Description	Per Utility 12/31/2024	Adjustment	Audit Finding	Per Audit 12/31/2024	Simple Average
Utility Plant in Service	\$ 732,231	\$ (21,262)	1	\$ 710,969	\$ 692,094
Land	\$ 78,192	\$ (60,514)	1	\$ 17,678	\$ 17,678
Plant in Service	\$ 810,423	\$ (81,776)		\$ 728,647	\$ 709,772
Accumulated Depreciation	\$ (491,701)	\$ (28,893)	2	\$ (520,594)	\$ (505,951)
Working Capital		\$ 11,153		\$ 11,153	\$ 11,153
Rate Base - Wastewater	\$ 318,722	\$ (99,516)		\$ 219,206	\$ 214,975

Exhibit 3: Capital Structure

**GCP PLANTATION LANDINGS, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250094-WS; ACN 2025-220-1-1
SCHEDULE OF CAPITAL STRUCTURE**

Class of Capital	Per Utility 12/31/2024	Audit Adjustment	Per Audit 12/31/2024	Ratio	Cost Rate	Weighted Cost
Long-Term Debt	\$ -	\$ -	\$ -			
Short-Term Debt	\$ -	\$ -	\$ -			
Preferred Stock	\$ -	\$ -	\$ -			
Customer Deposit	\$ -	\$ -	\$ -			
Common Equity	\$ 558,779	\$ -	\$ 558,779	100%	8.51%	8.51%
Investment Tax Credits	\$ -	\$ -	\$ -			
Accumulated Deferred Taxes	\$ -	\$ -	\$ -			
Total Capital Structure	\$ 558,779	\$ -	\$ 558,779	100%		8.51%

Exhibit 4: Net Operating Income – Water

**GCP PLANTATION LANDINGS, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250094-WS; ACN 2025-220-1-1
SCHEDULE OF NOI - WATER**

Description	Per Utility 2024	Audit Adjustment	Audit Finding	Per Audit 2024
Operating Revenues	\$ 65,900	\$ 1,192	3	\$ 67,092
		\$ -		
Operation & Maintenance Expense	\$ 56,230	\$ (9,727)	5	\$ 46,503
Depreciation Expense	\$ 24,362	\$ 939	2	\$ 25,301
Taxes Other Than Income	\$ 2,966	\$ 561	6	\$ 3,527
Total Operating Expense	\$ 83,558	\$ (8,227)		\$ 75,331
Net Operating Income (Loss)	\$ (17,658)	\$ 9,419		\$ (8,239)

Exhibit 5: Net Operating Income - Wastewater

**GCP PLANTATION LANDINGS, LLC
STAFF ASSISTED RATE CASE
TWELVE MONTH PERIOD ENDED DECEMBER 31, 2024
DOCKET NO. 20250094-WS; ACN 2025-220-1-1
SCHEDULE OF NOI - WASTEWATER**

Description	Per Utility 2024	Audit Adjustment	Audit Finding	Per Audit 2024
Operating Revenues	\$ 100,535	\$ 1,403	3	\$ 101,938
		\$ -		
Operation & Maintenance Expense	\$ 104,376	\$ (12,804)	5	\$ 91,572
		\$ -		
Depreciation Expense	\$ 21,411	\$ 7,876	2	\$ 29,287
		\$ -		
Taxes Other Than Income	\$ 4,524	\$ 2,383	6	\$ 6,907
Total Operating Expense	\$ 130,311	\$ (2,545)		\$ 127,766
		\$ -		
Net Operating Income (Loss)	\$ (29,776)	\$ 3,948		\$ (25,828)