

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: April 14, 2026

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

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis 710

RE: Docket No.: 20250052-WS
Company Name: CSWR-Florida Utility Operating Company, LLC
Company Code: WS985
Audit Purpose: A1a: File & Suspend Rate Case
Audit Control No.: 2025-224-1-1

Attached is Revised Finding 4 of the audit report filed in Docket 20250052-WS on January 22, 2026. (Document number 00560-2026).

Finding 4: Contributions-in-Aid-of-Construction CIAC and CIAC Amortization

Audit Analysis: Audit staff determined that the Utility did not appropriately file the CIAC Water and Wastewater additions for the historical test year ended January 31, 2025, in the MFR Schedule A-12 applicable to the systems reported in the tables below. Audit staff recalculated the 13-month average of CIAC and the ending balance of Accumulated Amortization of CIAC of the Utility with the additions from the general ledger, and had the variances when traced to the applicable MFR Schedule A-12. See details as below.

Table 4-1 13-Month Average Variances of CIAC - Water

Company	13-Month Average per Audit	13-Month Average per MFR	Variance
Aquarina Utilities	\$ 421,159	\$ 421,159	\$ -
Neighborhood Utilities	\$ 269,576	\$ 269,576	\$ -
Rolling Oaks Utilities	\$ 2,314,506	\$ 2,315,859	\$ (1,353)

Table 4-2 13-Month Average Variances of CIAC - Wastewater

Company	13-Month Average per Audit	13-Month Average per MFR	Variance
Aquarina Utilities	\$ 612,495	\$ 612,495	\$ -
BFF Corp	\$ 35,402	\$ 35,402	\$ -
Rolling Oaks	\$ 2,259,653	\$ 2,281,111	\$ (21,458)

Audit staff noted that the CIAC amortizes over a period of 30 years from the supporting documentation, the effect on the CIAC accumulated amortization was minimal and no adjustment needed. However, the exclusion of the CIAC additions understated the CIAC amortization for the historical test year. See details as below.

Table 4-3 CIAC Amortization - Water

Company	System	CIAC Amortization per Audit	CIAC Amortization per MFR	Variance
Aquarina	Water-Potable	\$ 16,185	\$ 14,096	\$ 2,089
Neighborhood	Water	\$ 9,628	\$ 9,052	\$ 576
Rolling Oaks	Water	\$ 82,451	\$ 76,843	\$ 5,608
Sunshine	Water	\$ 67,906	\$ 68,086	\$ (180)
Sunshine PP-QR	Water	\$ 888	\$ 872	\$ 16
Tradewinds	Water	\$ (950)	\$ (950)	\$ (0)

Table 4-4 CIAC Amortization – Wastewater

Company	System	CIAC		Variance
		Amortization per Audit	Amortization per MFR	
Aquarina	Wastewater	\$ 21,863	\$ 20,364	\$ 1,498
BFF	Wastewater	\$ 1,253	\$ 1,175	\$ 78
CFAT	Wastewater	\$ 2,067	\$ 2,068	\$ (1)
North Peninsula	Wastewater	\$ 40	\$ 40	\$ 0
Rolling Oaks	Wastewater	\$ 81,658	\$ 76,843	\$ 4,815
Sebring Ridge	Wastewater	\$ 10,072	\$ 9,399	\$ 673
Tradewinds	Wastewater	\$ (1,509)	\$ (1,522)	\$ 13

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.