

M E M O R A N D U M

May 22, 1996

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *a*
RE: DOCKET NO. 951056-WS -- PALM COAST UTILITY CORPORATION
RATE CASE AUDIT REPORT - PERIOD ENDED JUNE 30, 1995
AUDIT CONTROL NO. 96-037-3-1

Please make the following change to the original audit report forwarded by my April 30, 1996 transmittal:

DELETE

ADD

Page 15

Corrected Page 15

Please forward a copy of the corrected page to:

Palm Coast Utility Corporation
James A. Perry
2 Utility Drive
Palm Coast, FL 32137-7392

DNV/sp

Attachment

cc: Chairman Clark
Commissioner Deason
Commissioner Johnson
Commissioner Kiesling
Commissioner Garcia
Mary Andrews Bane, Deputy Executive Director/Technical
Legal Services
Division of Auditing and Financial Analysis (Devlin/Causseaux/
File Folder)
Division of Water and Wastewater (Moniz)
Orlando District Office (Forbes)

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCKET NO. 951056-WS
65675 MAY 23 1996
DIVISION OF RECORDS AND REPORTING

237

Audit Exception No. One (cont'd.)

RECOMMENDATION:

Based on the related party transactions described above and the determination of a trended original cost for the land in the RIB Site neighborhood, also described above, the audit staff recommends reducing the purchase price of the 1991 RIB Site land and the 1995 buffer strip by \$385,490 and \$19,280 respectively for a total reduction in the land account of \$404,770.

	<u>RIB SITE</u>	<u>BUFFER</u>
Palm Coast Purchase Price	\$530,000	\$30,137
Indexed Original Cost	<u>144,510</u>	<u>10,857</u>
Proposed Reduction in cost	\$385,490	\$19,280

State of Florida

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYO
DIRECTOR
(904) 413-6770

Public Service Commission

May 24, 1996

James A. Perry
Palm Coast Utility Corporation
2 Utility Drive
Palm Coast, Florida 32137-7392

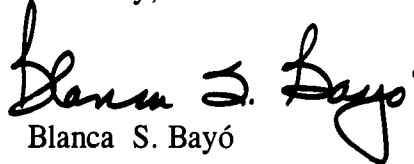
RE: Docket No. 951056-WS -- Palm Coast Utility Corporation
Corrected Page
Rate Case Audit Report - Period Ended June 30, 1995
Audit Control #96-037-3-1

Dear Mr. Perry:

The enclosed corrected Page 15 to the original audit report is forwarded.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayó

BSB/mas
Enclosure
cc: Public Counsel
Gatlin Law Firm