

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: November 10, 1999
TO: Division of Records and Reporting
FROM: Patricia Brady, Division of Water and Wastewater *pb BSM*
RE: Docket No. 991056-SU, Application for transfer of Certificate No. 456-S from Del Vera Limited Partnership to Coolidge - Fort Myers Realty Limited Partnership d/b/a Herons Glen Utilities in Lee County.

Attached for inclusion in the docket file is a copy of a November 1, 1999 letter from F. Marshall Deterding, Esquire, to Ms. Pat Brady, Commission staff, requesting staff hold up on proceeding with an audit until further information can be provided.

Attachment

cc: Jason Fudge (without attachment)

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
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- WAW _____
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November 1, 1999
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Florida Public Service Commission
Division of Water and Wastewater

ROBERT M. C. ROSE
OF COUNSEL

Ms. Pat Brady
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Coolidge-Ft. Myers Realty, LP d/b/a Heron's Glen Utilities; PSC Docket No. 991056-SU
Application Transfer of Wastewater Certificate
Our File No. 34073.01

Dear Pat:

I am preparing to send to you the response to your inquiry of October 20, 1999. I should be able to send that over to you tomorrow or Wednesday.

In the meantime, I received late Friday a copy of the attached letter dated October 27, 1999 from Denise Vandiver indicating an intention to begin performing an audit of the Utility. This letter (and your voice mail I received on Thursday) was somewhat troubling to me because it suggests an intent to begin an audit when, as I have noted to you previously and in the Application, there are no records from which to begin such an audit. The current Utility owners took over the system from an uncooperative bankrupt entity who was foreclosed upon. They were ordered to provide appropriate ownership transfer documents to the new owners and that is all they have provided. Therefore, we have absolutely no source documents or books and records from the previous owner, and no way to get them. I believe any attempt to send the staff auditors in at this time would be useless.

Until you get my letter on Wednesday, please have the auditors hold up with proceeding on the audit, as I believe the full explanation that I will provide in that letter will clarify this and demonstrate to you that there is no point in undertaking an audit at this point.

If you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

FMD/tmg
Enclosure

cc: Jason Fudge, Esquire
Bill Kouwenhoven

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

October 27, 1999

Mr. Robert G. Peters
Del Vera Limited Partnership
2250 Avenida Del Vera
North Ft. Myers, FL 33917-6700

**Re: Docket No. 991056-SU; Del Vera Limited Partnership
Audit Request; Establish Rate Base as of December 31, 1996
Audit Control No. 99-298-4-1**

Dear Mr. Peters:

The Florida Public Service Commission will establish the rate base as of December 31, 1996 in accordance with Commission audit procedures. Access will be requested to documents and records of the utility and, if necessary, supporting records for affiliate company transactions that affect regulated operations. Staff auditors may also request to review the utility's external audit working papers for the most recent independent audit. Kathy Welch, (305)470-5600, the district office supervisor, will coordinate this audit. Questions regarding the audit or audit staff should be directed to the district supervisor or myself. My phone number is (850) 413-6487.

The Audit Access to Records rule for each industry states:

In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached.

Mr. Robert G. Peters
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October 27, 1999

A formal report is expected to be issued for internal Commission use in December 1999. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver
Bureau Chief - Auditing Services

DNV:sp

cc: District Office Supervisor
Division of Legal Services
Division of Records and Reporting
Public Counsel

✓ Rose Law Firm
Attn: Marshall Deterding
2548 Blirstone Pines Drive
Tallahassee, FL 32301