

ORIGINAL

State of Florida



# Public Service Commission

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

**DATE:** November 15, 2000  
**TO:** Division of Economic Regulation (Butts)  
**FROM:** Division of Regulatory Oversight (Vandiver) *W*  
**RE:** Docket No. 001118-WU; Keen Sales, Rentals and Utilities, Inc.  
 Audit Report; Staff-assisted Rate Case  
 Audit Control No. 00-252-3-1

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, they should send it to the Division of Records and Reporting. There are no confidential work papers associated with this audit.

DNV/sp

Attachment

cc: Division of Regulatory Oversight (Hoppe/Harvey/File Folder)  
 Orlando District Office (Winston)  
 Division of Records and Reporting  
 Division of Legal Services

J. Ray Keen  
 Keen Sales, Rentals and Utilities, Inc.  
 685 Dyson Road  
 Haines City, FL 33844-8587

APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMP \_\_\_\_\_  
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FPSC-RECORDS/REPORTING



**FLORIDA PUBLIC SERVICE COMMISSION**

*DIVISION OF REGULATORY OVERSIGHT  
BUREAU OF AUDITING SERVICES*

*Orlando District Office*

**SUNRISE WATER COMPANY  
A SYSTEM OF KEEN SALES, RENTALS AND UTILITIES, INC.**

**STAFF-ASSISTED RATE CASE**

**HISTORICAL PERIOD ENDED MARCH 31, 2000**

**DOCKET NO. 001118-WU**

**AUDIT CONTROL NO. 00-252-3-1**

Handwritten signature of Richard F. Brown.

*Richard F. Brown, Audit Manager*

Handwritten signature of Charleston J. Winston.

*Charleston J. Winston, Audit Staff/Supervisor*

DOCUMENT NUMBER-DATE

14819 NOV 16 8

FPSC-RECORDS/REPORTING

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**DIVISION OF REGULATORY OVERSIGHT  
AUDITOR'S REPORT**

**NOVEMBER 7, 2000**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES**

We have applied the procedures described later in this report to audit the accompanying schedules for Rate Base, Net Operating Income, and Capital Structure for the historical 12-month period ended March 31, 2000, for Sunrise Water Company a System of Keen Sales, Rentals and Utilities, Inc. The attached schedules were prepared by the audit staff as part of our work in the utility's application for a Staff-Assisted Rate Case in Docket No. 001118-WU.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should 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 auditing standards and produce audited financial statements for public use.

## **SUMMARY OF SIGNIFICANT FINDINGS**

The utility does not maintain its books and records as required by the Uniform System of Accounts (USOA) and Commission rules.

Utility operating expenses should be increased by \$9,443.35.

Utility plant-in-service should be increased by \$9,675.00.

## **SUMMARY OF SIGNIFICANT PROCEDURES**

Our audit was performed by examining the utility's books and records which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report.

**Scanned** - The documents or accounts were read quickly looking for obvious errors.

**Verified** - The items were tested for accuracy, and substantiating documentation was examined.

**Compiled** - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency

**RATE BASE:** Verified account balances for utility-plant-in-service (UPIS), contributions-in-aid-of-construction (CIAC), accumulated depreciation, and accumulated amortization of CIAC from March 31, 1999. Compiled rate base balances authorized in Commission Order No. PSC-00-1388-PAA-WU, issued July 31, 2000. Verified 95 percent of plant additions. Verified a sample of CIAC additions selected using auditor judgement and agreed to FPSC-approved tariff amounts. Tested additions to accumulated depreciation and accumulated amortization for proper rates and calculations. Calculated working capital using one-eighth of operations and maintenance expense.

**NET OPERATING INCOME:** Compiled utility revenue and operating and maintenance accounts for the year-ended March 31, 2000. Chose a judgmental sample of customer bills and recalculated using FPSC-approved rates. Chose a judgmental sample of operation and maintenance expenses and verified the invoices and other supporting documentation. Tested calculation of depreciation expense. Verified support for taxes other than income.

**CAPITAL STRUCTURE:** Compiled components of the capital structures for the year ended March 31, 2000. Agreed interest expense to the terms of the notes.

**OTHER:** Read the Board of Directors' Minutes for the 12-month period ended March 31, 2000. Looked for items related to regulatory issues.

## **EXCEPTIONS**

### **Exception No. 1**

#### **Subject: Books and Records**

**Statement of Fact:** Rule 25-30.115, Florida Administrative Code, (F.A.C.), requires Florida utilities to maintain their books and records by the National Association of Regulatory Utility Commissioners (NARUC), Uniform System of Accounts (USOA).

NARUC, Class C, Accounting Instruction No. 2. A. states:

The books and accounts of all water utilities shall be kept by the double entry method on an accrual basis. Each utility shall keep its books of accounts monthly and shall close its books at the end of each calendar year.

NARUC, Class C, Accounting Instruction 2. B. requires all water and wastewater utilities to maintain its books and records so that,

All books of accounts, together with records and memoranda supporting the entries therein, shall be kept in such a manner as to support fully the facts pertaining to such entries.

The utility keeps its general ledger on the cash basis.

**Recommendation:** Neither the plant nor the expense accounts are maintained according to the NARUC USOA. The utility contracts with a CPA firm to prepare its Annual Report to the Commission. This Annual Report is commingled with all other utility companies owned by Keen Sales, Rentals and Utilities, Inc. The utility companies are not separated out within the Annual Report.

The Commission should order the utility to set up its books and records according to the NARUC USOA. Additionally, the Commission should schedule a USOA compliance audit for the utility.

**Exception No. 2**

**Subject: Water Plant Adjustment**

**Statement of Fact:** Sunrise Water Company did not book \$9,504 representing the allocated portion of a 1999 Ford Econoline maintenance van costing \$19,435 to plant-in-service. The utility charged operation and maintenance expense for capitalized expenditures totaling \$1,566 and additionally, capitalized \$461 of operating expenses.

<u>Payee</u>	<u>Description</u>	<u>Account Charged</u>	<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
Bartow Ford	1999 Ford Econoline Van	Not Booked	12/01/98	N/A	\$9,504
Hughes Supply	5 - 5/8*3/4 meters and accessories	Parts	12/28/99	1314	351
Hughes Supply	5 - 5/8*3/4 meters and accessories	Parts	02/11/00	1368	407
Magliolo	Flapper spring loaded check valve	Repairs	02/16/00	1379	808
Various	Servicing water system, miscellaneous supplies, etc.	Equipment	-	-	(461)
					\$10,609

In accordance with NARUC, Class "C" Water Instructions per Account 101, Utility Plant-in-Service, all capital additions should be reflected therein.

**Recommendation:** Staff recommends that the following journal entry be made in correction.

Transportation Equipment	\$9,504	
Meters	758	
Pumping Equipment	808	
Miscellaneous Expenses	461	
Notes Payable		\$9,504
Repairs Expense		808
Parts Expense		758
Equipment-UPIS		461
	\$11,531	\$11,531

**Exception No. 3**

**Subject: Accumulated Depreciation**

**Statement of Fact:** Sunrise Water Company did not reflect depreciation expense or a balance in the related reserve at March 31, 2000.

**Recommendation:** The utility did not record depreciation expense. When applying the Commission depreciation rates as prescribed in Rule 25-30.140, Florida Administrative Code, we calculated a test year expense of \$5,016. Accumulated depreciation should also be increased for the period from December 1, 1998 through March 31, 1999, prior to the test year. This results in a net increase to accumulated depreciation of \$5,544.

<u>Description</u>	<u>Order No.</u> PSC-00-1388-PAA-WU Issued 7/31/00 <u>As of 03/31/99</u>	<u>Depreciation</u> UPIS Additions from 4/01/99 <u>through 3/31/00</u>	<u>Total</u>
Depreciation expense	\$3,389	\$1,627	\$5,016
Accumulated depreciation	\$3,389	\$2,155	\$5,544

Audit staff recommends that the following journal entry be posted by the utility.

Depreciation expense	\$5,016	
Retained earnings(1)	528	
Accumulated depreciation		\$5,544

- (1) December 1, 1998 through March 31, 1999 - depreciation on van  
See Exception No. 2.



**Exception No. 4**

**Subject: Contributions-in-Aid-of-Construction (CIAC) and Related Amortization**

**Statement of Facts:** A CIAC balance of \$12,393 was established per Order PSC-00-1388-PAA-WU as of March 31, 1999.

The related accumulated amortization Order balance of \$5,410 remains unchanged as of March 31, 2000, as the CIAC balance was never amortized per books by the utility.

**Recommendation:** Staff recommends that Account 272, Accumulated Amortization of CIAC be increased and Account 403, Depreciation be decreased by \$657 to reflect the amortization of CIAC for the 12-month period ended March 31, 2000.

The amortization was based on the application of the composite rate for plant-in-service at March 31, 2000 ( $\$12,393 * 5.3\%$ ).

**Exception No. 5**

**Subject: Working Capital Allowance**

**Statement of Fact:** The working capital allowance has been computed based on the one-eighth formula method to comply with Commission Rule 25-30.433(2), Florida Administrative Code.

The water working capital allowance was computed as \$3,953 based on staff-adjusted operation and maintenance expense of \$31,624.

**Recommendation:** Staff recommends that water rate base be increased by \$3,953 to reflect the allowance.

**Exception No. 6**

**Subject: Allocations**

**Statement of Fact:** During the nine-month period ended December 31, 1999, the utility distributed all common costs equally among the four water systems. Common costs for the subsequent three-month period ended March 31, 2000, were distributed by the utility based on the following Florida Public Service Commission-recommended allocated percentages established per the related Alturas Water Works rate filing.

<u>Water System</u>	<u>Average Meters</u>	<u>Percentages</u>
Alturas	64	11.68%
Sunrise	268	48.90%
Subdivision	129	23.54%
Paradise Island	87	15.88%
Totals	<u>548</u>	<u>100.00%</u>

**Recommendation:** It is recommended that the following account balances be adjusted as noted based on the staff allocation of the foregoing allocation percentages for the nine-month period ended December 31, 1999.

<u>Account</u>	<u>Staff-Allocated Amount</u>	<u>Utility-Allocated Amount</u>	<u>Difference</u>
Wages	\$11,140.88	\$7,291.07	\$3,849.81
Phone Expense	411.56	210.41	201.15
Postage Expense	507.99	259.71	248.28
Gas Expense	1,198.21	612.58	585.63
Office Supplies	714.92	365.50	349.42
Parts Expense	907.31	463.86	443.45
Computer Expense	953.55	487.50	466.05
Auto Insurance	215.16	110.00	105.16
Commercial Insurance	1,218.69	623.05	595.64
Miscellaneous Expense	<u>738.55</u>	<u>377.58</u>	<u>360.97</u>
Totals	<u>\$18,006.82</u>	<u>\$10,801.26</u>	<u>\$7,205.56</u>

**Exception No. 7**

**Subject: Water Treatment Expense**

**Statement of Fact:** The utility reflected only nine months of charges of water system maintenance per books for the 12-month period ended March 31, 2000.

Tri-Florida Water Treatment, Inc. maintains the water treatment plant at a monthly cost to Sunrise of \$80.00.

**Recommendation:** Staff recommends that water treatment expense be increased and net operating income decreased by \$240 ( $\$80 * 3$ ) to reflect the annualized cost of the services provided.

**Exception No. 8**

**Subject: Auto Payment Expense**

**Statement of Fact:** The utility charged \$1,389.73 of monthly van payments to operations during the 12-month period ended March 31, 2000.

**Recommendation:** Staff is recommending that the balance of \$1,389.73 in the auto payments account be excluded from operating expenses as the allocated cost of the van has been capitalized. (See Exception No. 2.) The promissory note applicable to the purchase of the van has been reflected in Exhibit III.

**Exception No. 9**

**Subject: Bad Debt Expense**

**Statement of Facts:** The utility reflected \$133.52 of nonbooked uncollectible revenue during the twelve months ended March 31, 2000.

In accordance with NARUC, Class "C" Instructions per Account 670, Bad Debt Expense, all uncollectible revenue should be charged therein.

**Recommendation:** Staff recommends that water operating expenses be increased by \$133.52 to provide for the uncollectible amounts.

**Disclosure No. 1**

**Subject:**                   **Acquisition Adjustment**

**Statement of Fact:** The utility is requesting an acquisition adjustment based on the circumstances described in the attached October 10, 2000, memorandum.

**Recommendation:** Audit staff defers to FPSC analyst for disposition.

Disclosure No. 1, continued

KSRU

Keen Sales, Rentals and Utilities, Inc.

685 Dyson Road  
Haines City, FL 33844  
Business Phone 941-421-6827

October 10, 2000

Mr. Richard F. Brown  
Regulatory Analyst  
Florida Public Service Commission  
400 West Robinson Street  
Orlando, Florida 32801-1748

Dear Richard:

Enclosed please find copies of our correspondence with Ms. Alice Crosby regarding our request for a positive acquisition adjustment and a deletion of contributions-in-aid-of-construction regarding Sunrise Water Works.

If you have any questions, please feel free to contact us.

Sincerely,

J. Ray Keen  
President

JRK/mmc  
Enclosures



Disclosure No. 1, continued

ACQUISITION ADJUSTMENT

The Public Service Commission Auditor that established the Sunrise Water Company Rate Base was informed that I purchased the system for \$100,000. The Auditor gave no indication during the examination of the utility records, nor in the September 8, 1999, Commission Report, that my investment would be reduced by \$58,293.00, applicable to an Acquisition Adjustment.

Commission Order #PSC-00-1388-PAA-WU, issued July 31, 2000, per page 7, states as follows:

"In the absence of extraordinary circumstances, it has been Commission practice that the purchase of a utility system at a premium or discount, shall not effect the Rate Base calculation. The circumstances in this exchange do not appear to be extraordinary. In addition, Keen has not requested an Acquisition Adjustment. Therefore, an Acquisition Adjustment has not been included in the calculation of Rate Base."

I did inform the Auditor that my investment in Sunrise was \$100,000, and was under the assumption that the utility would earn on such. I did not specifically use the term "Acquisition Adjustment" as I was not familiar with the terminology; however, my intentions of earning on the full investment were explicitly conveyed to the Auditor.

The transmission and distribution system, which is approximately 25 years old, requires an abnormal and extraordinary amount of care to maintain as evidenced by the time the utility's maintenance operator expends repairing leaks and replacing sections of service lines.

The disallowance of the \$58,293 Acquisition Adjustment would not be in the best interest of the utility nor it's customers as Sunrise would not be accorded a depreciation reserve sufficient to offset projected capital expenditures necessary to maintain the system in compliance with FPSC and DEP standards. The absence of the Acquisition Adjustment, for obvious reasons, could also uniformly compromise the expeditious disposition of customer related service matters.

I respectfully request that the Florida Public Service Commission allow the utility to earn on the positive Acquisition Adjustment based on the extraordinary circumstances alluded to in order to insure the preservation of the utility's financial integrity and the customer's high quality of service.

CONTRIBUTIONS IN AID OF CONSTRUCTION

"CIAC"

Sunrise Water Company offers the following information regarding the Commission's \$12,393 imputation of CIAC per order PSC-00-1388-PAA-WU.

According to page 2 of Commission Order PSC-97.0832-FOF-WU, the utility has 282 single family residences and mobile homes and this service area is completely built out.

Commission Order PSC-00-1388-PAA-WU, issued July 31, 2000, per pages 5 and 6, states as follows:

"In addition, the audit reflected a zero balance for contributions-in-aid-of-construction. A comment was included in the CIAC workpaper section to that effect. There was some concern regarding this comment since a system capacity charge of \$450 per equivalent residential connection (ERC) had been grandfathered with the utility when it came under Commission regulation. The workpapers from the Polk County rate case did not include any CIAC amounts and there have been no additional collections of CIAC documented by the utility since this Commission received jurisdiction in Polk County.

Our practice has been that CIAC collected prior to the jurisdictional date is recognized in the calculation of rate base. (Lindrick Service Corporation, Order No. 12691, issued November 16, 1983, in Docket No. 830062-WS). Further this Commission has imputed CIAC based on Rule 25-30.570, Florida Administrative Code, when there has been no explanation for the absence of CIAC. (Tamiami Utility Company, Order No. 13796 issued October 27, 1984, in Docket No. 830559-WS).

Rule 25-30.570, Florida Administrative Code, states, in part, "If the amount of CIAC ~~has~~ been recorded on the utility's books . . . the amount of CIAC shall be imputed to be the . . . portion of the cost of the facilities and plant attributable to the water transmission and distribution system . . ." Therefore, CIAC has been imputed in the portions of the cost of the facilities

**Disclosure No. 1, continued**

and plant attributable to the water transmission and distribution system (Account No. 334). The associated accumulated amortization has been imputed based on the accumulated depreciation for the water transmission and distribution system.

Schedule 2 of this Order sets forth Sunrise's calculated rate base, Commission adjustments, and the resulting rate base. The rate base equals utility plant-in-service of \$84,346, less accumulated depreciation of \$36,209, plus land value of \$553, less imputed CIAC of \$54,10 for a total of \$41,707.

The utility differs with the Commission accorded interpretation of Rule 25-30.570 and the recognition of CIAC based on Order 12691.

Regarding the absence of explanation and the imputation based on the transmission and distribution system, please consider the following information:

- The \$12393 imputation of CIAC was the balance in the transmission and distribution mains account established by Polk County in the utility's 1993 rate case.
- The Polk County Board of County Commissioners (PCBCC) maintained jurisdiction of Sunrise at the time of the rate case and up through July 1, 1996.
- The PCBCC's Rules and Regulations applicable to CIAC are similar if not identical to those of the Florida Public Service Commission.
- The Polk County Board of County Commissioners established the Sunrise rate base at December 31, 1993. The Florida Public Service Commission accepted the balances in all the rate base component accounts, with the exception of CIAC.
- The Polk County Board of County Commissioners determined the non-existence of contributions at December 31, 1993.

**Disclosure No. 1, continued**

The regulating body of Sunrise (PCBCC) determined that there was no CIAC during the same period that the FPSC imputed such.

The utility is of the opinion that PCBCC's determination as to the absence of CIAC should satisfy the "explanation" provision of Rule 25-30.570. Sunrise believes that the Commission's assumption of CIAC collections prior to the jurisdictional date to be valid had the ruling body, of the utility, at the time, not determined otherwise.

Sunrise respectfully requests that the Florida Public Service Commission reconsider this issue based on the noted circumstances.

**Disclosure No. 2**

**Subject: Utility Rent**

**Statement of Fact:** The utility did not record rental expense per its books for the headquarters located at 685 Dyson Road in Haines City, Florida.

**Recommendation:** The Florida Public Service Commission in its October 26, 2000, audit staff report on related company, Alturas Water Works, recommended a monthly allowance for rental of \$900, subject to the audit staff-determined allocation of 48.9 percent applicable to Sunrise Water Company. (See Exception No. 6.)

Audit staff defers to FPSC analyst for disposition of the \$5,280 annualized rent ( $\$900 * 48.9\% * 12$ ).

**Disclosure No. 3**

**Subject: Nonbooked Salaries**

**Statement of Fact:** The utility did not book salaries of \$21,906, \$15,257, and \$8,900 for the office manager, president, and vice president, respectively.

**Recommendation:** The Florida Public Service Commission in its October 26, 2000, audit staff report on related company, Alturas Water Works, recommended that the salaries be included in operating expenses, subject to the audit staff-determined allocation of 48.9 percent to Sunrise Water Company. (See Exception No. 6.)

<u>Description</u>	<u>Total Salary</u>	<u>Allocated Portion @48.9%</u>
Office manager	\$21,906	\$10,712
President	15,257	15,257
Vice president	<u>8,900</u>	<u>8,900</u>
	<u>\$46,063</u>	<u>\$34,869</u>

**Disclosure No. 4**

**Subject: Capital Structure**

**Statement of Fact:** The parent company's books and records were used to establish the cost of capital as of March 31, 2000.

**Recommendation:** The utility's responses to audit staff's inquiries and records indicate that the capital structure should be \$212,925 as of March 31, 2000. This amount is for the parent company since all debts are funded through it.

The utility incurred the following debts after the period ended March 31, 2000. These amounts are not included in the \$212,925 or Exhibit III.

<u>Debtee</u>	<u>Amount</u>	<u>Interest Rate</u>
Keen Sales & Rental	\$13,700	10%
Keen Sales & Rental	<u>1,270</u>	10%
Total	<u>\$14,970</u>	

Audit staff defers the issue of determining the utility's final capital structure to the analyst in Tallahassee.

**EXHIBIT I**

**SUNRISE WATER COMPANY  
A SYSTEM OF KEEN SALES, RENTALS AND UTILITIES, INC.  
DOCKET NO. 001118-WU  
WATER RATE BASE  
AS OF MARCH 31, 2000**

(a)	(b)	(c)	(d)	(e)
DESCRIPTION	PER COMPANY	AUDIT EXCEPTION(1)	REFER TO(2)	PER AUDIT
UTILITY-PLANT-IN-SERVICE(3)	\$85,355	\$10,609	AE 2	\$95,964
LAND	553	0		553
ACCUMULATED DEPRECIATION	(36,209)	(5,544)	AE 3	(41,753)
CONTRIBUTIONS-IN-AID-OF- CONSTRUCTION (CIAC)	(12,393)	0		(12,393)
ACCUMULATED AMORTIZATION OF CIAC	5,410	657	AE 4	6,067
WORKING CAPITAL (4)		3,953	AE 5	3,953
TOTAL	\$42,716	\$9,675		\$52,391

**FOOTNOTES:**

- (1) Small differences are due to rounding.
- (2) Audit adjustments do not include audit disclosures.
- (3) \$84,346 (PSC Order No. PSC-00-1388-PAA-WU issued July 31, 2000, balance) + \$1,009 (recorded per Equipment Account) = \$85,355
- (4) Working Capital was calculated at 1/8 O&M expense per Commission policy.



**EXHIBIT II**

**SUNRISE WATER COMPANY  
A SYSTEM OF KEEN SALES, RENTALS AND UTILITIES, INC.  
DOCKET NO. 001118-WU  
NET OPERATING INCOME  
12-MONTH PERIOD ENDED MARCH 31, 2000**

(a) DESCRIPTION	(b) PER UTILITY	(c) AUDIT EXCEPTION	(d) REFER TO(1)	(e) PER AUDIT
OPERATING REVENUES	\$35,353.40	\$0.00		\$35,353.40
OPERATING EXPENSES:				
O&M EXPENSE	\$26,539.93	\$5,084.35	(2)	\$31,624.28
DEPRECIATION EXPENSE (4)	\$0.00	\$4,359.00	(3)	\$4,359.00
TAXES OTHER THAN INCOME	\$3,059.30	\$0.00		\$3,059.30
INCOME TAX EXPENSE(5)	\$0.00	\$0.00		\$0.00
<b>TOTAL OPERATING EXPENSE</b>	<b>\$29,599.23</b>	<b>\$9,443.35</b>		<b>\$39,042.58</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$5,754.17</b>	<b>(\$9,443.35)</b>		<b>(\$3,689.18)</b>

**FOOTNOTES:**

- (1) Audit adjustments do not include audit disclosures.
- (2) AE2 (\$1,566) + \$461 + AE6 \$7,205.56 + AE7 \$240 + AE8 (\$1,389.73) + AE9 \$133.52
- (3) AE3 \$5,016 + AE4 (\$657)
- (4) CIAC amortization expense is included in the depreciation expense.
- (5) The utility is a Sub-Chapter S Corporation. Income tax expense is not considered. No income tax information was provided.

**EXHIBIT III**

**SUNRISE WATER COMPANY  
A SYSTEM OF KEEN SALES, RENTALS AND UTILITIES, INC.  
DOCKET NO. 001118-WU  
CAPITAL STRUCTURE  
AS OF MARCH 31, 2000**

DESCRIPTION	PER COMPANY(2)	AUDIT EXCEPTION	REFER TO(1)	PER AUDIT(2)	RATIO	COST RATE(3)	WEIGHTED COST OF CAPITAL
COMMON EQUITY	\$19,287	\$0		\$19,287	9.06%	9.94%	0.90%
LONG-TERM DEBT-Whiting	\$40,791	\$0		\$40,791	19.16%	8.00%	1.52%
LONG-TERM DEBT-Keen	\$26,682	\$0		\$26,682	12.53%	8.00%	1.04%
LONG-TERM DEBT-Roberts	\$12,136	\$0		\$12,136	5.70%	10.00%	0.60%
LONG-TERM DEBT-Hoff	\$4,855	\$0		\$4,855	2.28%	10.00%	0.20%
LONG-TERM DEBT-Keen	\$75,002	\$0		\$75,002	35.22%	5.50%	2.10%
LONG-TERM DEBT-Roberts	\$6,471	\$0		\$6,471	3.04%	11.00%	0.33%
LONG-TERM DEBT-Hoff	\$2,039	\$0		\$2,039	0.96%	10.00%	0.10%
LONG-TERM DEBT-Keen	\$12,000	\$0		\$12,000	5.64%	11.00%	0.66%
LONG-TERM DEBT-Ford	\$13,662	\$0		\$13,662	6.42%	2.90%	0.18%
CUSTOMER DEPOSITS	\$0	\$0		\$0	0.00%	6.00%	0.00%
<b>TOTAL</b>	<b>\$212,925</b>	<b>\$0</b>		<b>\$212,925</b>	<b>100.00%</b>		<b>7.63%</b>

REQUIRED FOOTNOTES:

- 1) Audit adjustments do not include audit disclosures.
- 2) Common Equity amount from company's 1999 Annual Report
- 3) Cost rate for common equity established in Order No. PSC-00-1162-PAA-WS, issued June 26, 2000.