

AUDIT SERVICE REQUEST

February 12, 2001

Date of Request

AFAD control #

TO : **DIVISION AUDITING & FINANCIAL ANALYSIS**

FROM: **DIVISION OF REGULATORY OVERSIGHT** Stephanie Clapp (904) 413-6997
Division Name Phone number

RE : REQUEST FOR AUDIT OF Steeplechase Utility Company, Inc.
DOCKET NO.: 010119-WS
AUDIT PURPOSE: To establish rate base for transfer of utility

LIST AUDIT OBJECTIVES & OTHER INFORMATION ON BACK.

ADMINISTRATIVE DETAILS:

COMPANY CONTACT: MARTIN MCDONNELL, ESO. (850) 681-6788
Name Title Phone Number

MAIL ADDRESS: 215 S MONROE STREET, SUITE 420
Firm Street Address
TALLAHASSEE FLORIDA 32301
City State Zip Code

LOCATION OF RECORDS: The application states that the records are available for inspection from L. Hall Robertson, 11053 SE 174th Loop, Summerfield, FL 34491, telephone (352) 307-1033.

AUDIT DUE DATE: June 15, 2001
PIECEMEAL RESULTS: YES NO

COORDINATING DETAILS: STEPHANIE CLAPP (Analyst) (850) 413-6997
STAN RIEGER (Engineer) (850) 413-6970
Name and phone number of other Division staff and any other administrative instructions

REFERENCES: Orders No PSC-97-1508-FOF-WS, 21438, 21063 and the 1997, 1998, and 1999 Annual Reports. If you need any other information, please feel free to call me.

Attach copies of FPSC ORDERS and other documents as appropriate

FOR USE OF THE FIELD AUDIT SUPERVISOR:

REQUEST ACKNOWLEDGED BY: _____ DATE: _____
AUDIT MANAGER ASSIGNED: _____ DATE ON SIGHT: _____

COMMENTS: _____

DOCUMENT NUMBER DATE
02362 FEB 21 01
FPSC-RECORDS-REPORTING

ITEM #	AUDIT OBJECTIVE OR QUESTION Add supplemental background for auditor	WORK PRIORITY
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ALL ITEMS CONSIDERED HIGH (H) PRIORITY

- 1 The rate base objectives per rate case audit guide of the DAFA audit manual should be used in auditing utility plant, accumulated depreciation, CIAC and accumulated amortization of CIAC. A working capital allowance need not be calculated.
- 2 Determine whether any assets on the seller's books are not being transferred, such as desk, computer equipment and vehicles, and exclude these items from the calculation of rate base.
- 3 Determine if these are any extraordinary circumstances surrounding the purchase. Current Commission policy is not to allow an acquisition adjustment up or down unless there are extraordinary circumstance justifying an acquisition adjustment. The burden of proof is on the utility.
- 4 Verify land ownership in the name of the current owner of the utility for the real property on which the utility plant is located.
- 5 Verify the existing rates, miscellaneous service charges, service availability charges, and customer deposits charged by the utility.

PRIORITY H - HIGH PRIORITY - CRITICAL WORK NEEDED TO COMPLETE PROGRAM.
CODES M - MIDDLE PRIORITY - REQUIRED FOR FULL CONSIDERATION OF PROGRAM.
 L - LOW PRIORITY - WORK THAT CAN BE DEFERRED.

6 Verify the purchase price for the utility and the closing date. (H)