

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: September 13, 2007
TO: Richard J. Wright, Professional Accountant Specialist, Division of Competitive Markets & Enforcement
FROM: Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance & Consumer Assistance *DNV*
RE: Undocketed; Company Name: Verizon Florida, Inc. and Affiliates;
Audit Purpose: Review 2003, 2004, & 2005 RAF Returns;
Audit Control No: 06-223-1-1

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, it should send the response to me for distribution. There are confidential work papers associated with this audit.

DNV:sbj
Attachments

Copy: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)
Division of Commission Clerk (2)
Division of Competitive Markets and Enforcement (Harvey)
General Counsel
Office of Public Counsel

Mr. David Christian, Vice President
Verizon Florida, Inc.
106 East College Avenue
Tallahassee, FL 32301-7748

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FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
BUREAU OF AUDITING

Tallahassee District Office

VERIZON FLORIDA, INC. AND AFFILIATES

VERIFY 2003, 2004, AND 2005 REGULATORY ASSESSMENT FEE RETURNS

UNDOCKETED

AUDIT CONTROL NO. 06-223-1-1

A handwritten signature in black ink, appearing to read "Charleston J. Winston".

Charleston J. Winston, Audit Manager

A handwritten signature in black ink, appearing to read "Lynn M. Deamer".

Lynn M. Deamer, Audit Supervisor

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE
AUDITOR'S REPORT**

August 8, 2007

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Competitive Markets and Enforcement in its audit service request. We applied these procedures to the Regulatory Assessment Fee Returns prepared by Verizon Florida, Inc. and Affiliates, companies TF859, TI355, TI483, TI530, TJ011, TL710, TX071, TX134, TX624, in support for verifying the RAF returns as filed for the historical periods ending December 2003, 2004 and 2005. There is confidential information associated with this audit.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use.

OBJECTIVES and PROCEDURES

Objective: To verify the amounts submitted to the Commission on the Regulatory Assessment Fee (RAF) return for 2003, 2004 and 2005 are supported by the company's books and records.

Procedures: Recalculated and traced the amounts on the RAF return to the company's general ledger, annual report and revenue reports/billing registers. Compared the company's revenues reported on its annual report, general ledger and revenue reports/billing registers to the RAF return to determine that all revenue types required by statute and rule were reported. Compared reported RAF revenues to consolidated financial statements works sheets. Traced the amounts paid to other telecommunications companies to company books to determine that the expenses are split between inter- and intra-state. The consolidated financial statements work sheets were reviewed to determine any non-certificated Florida business. All TA and TX (CLEC) company codes were reviewed for the proper remittance of relay access surcharges.