

RAINTREE WATERWORKS, INC.

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FPSC - COMMISSION CLERK

January 4, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 150199-WU - Application of Raintree Waterworks, Inc. for Staff Assisted Rate Case in Lake County – Response to Audit Report - Audit Control No. 15-286-2-1

Dear Commission Clerk,

Please find attached Raintree Waterworks, Inc.'s (Raintree) response to Audit Report - Audit Control No. 15-286-2-1 in the above referenced docket.

Audit Finding 1: Raintree does not agree with the removal of the \$750 application fee for the transfer of certificate filed in Docket No. 140121-WU, which was recorded in Account 302 – Franchise. Raintree Waterworks, Inc. is a newly formed Florida Corporation as of May 8, 2014. (See attached) This corporation previously did not exist and was not previously certificated by the Florida Public Service Commission.

Pursuant to the NARUC USoA:

Account 302 – Franchises

- A. This account **shall include** amounts paid to federal government, to a **state** or to a political subdivision thereof in consideration for franchise, consents or **certificates**, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents or **certificates of permission and approval**, including expenses of organizing and merging separate corporations, where statutes require solely for the purpose of acquiring franchise.

Since Raintree did not previously have a FPSC certificate, this amount should be included in Account 302, in order for the utility to obtain its certificate to operate the utility within the state of Florida.

Audit Finding 2: With the exception of the adjustment to Account 302, as discussed above, Raintree agrees with the remaining amounts of this Finding. Raintree does not agree with the adjustment to Account 302 Accumulated Depreciation.

Audit Finding 3: Although Raintree doesn't agree with this adjustment, the utility is not opposed to the adjustment. Since Raintree believes this is due to a timing difference between the calculation and the actual revenues, the utility is not opposed to the adjustment as stated.

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Audit Finding 4: Raintree agrees with this Audit Finding and the adjustments contained therein. Raintree believes that the Audit Balances of Operation and Maintenance Expenses appropriately represents the O&M of the utility on a going forward basis.

Audit Finding 5: Raintree agrees with this Audit Finding and the adjustments contained therein. Raintree believes that the Audit Balances of Taxes Other than Income appropriately represents the TOTI of the utility on a going forward basis.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Troy Rendell", is written over the typed name. The signature is fluid and cursive.

Troy Rendell
Manager of Regulated Utilities
// for Raintree Waterworks, Inc.

**FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS****Detail by Entity Name****Florida Profit Corporation**

RAINTREE WATERWORKS, INC.

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Annual Reports

Report Year	Filed Date
2015	04/08/2015

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