

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



TIMOTHY DEVLIN, Director
Auditing & Financial Analysis
(850) 413-6448

Public Service Commission

May 13, 1998

Alturas Water Works
B.B. Register
P. O. Box 257
Alturas, FL 33820-0257

Dear Mr. Register:

Docket No. 980536-WU -- Alturas Water Works
Transfer Audit Request

The Florida Public Service Commission will conduct an audit to establish the rate base in accordance with Commission audit procedures. Auditors may select one or more accounts for detailed examination. Access may be requested to documents and records supporting affiliate company transactions that affect regulated operations. Staff auditors may also request to review the firm's external audit working papers for the most recent independent audit. Ian Forbes, the district office supervisor, (407) 317-7337, will coordinate this audit.

- ACK Rule 25-30.110(b), F.A.C., states that, "Unless otherwise authorized by the Commission, each utility shall maintain its records at the office or offices
- AFA of the utility within this state and shall keep those records open for
- APP inspection during business hours by Commission staff"
- CAF Rule 25-22.006, F.A.C., promulgates the procedure to exempt confidential and
- CMU proprietary business information from Public Records Law 119.07(1), Florida
- CTR Statutes. Excerpts from this rule are attached to this letter however, the
- EAG rule should be read in its entirety when an exemption is claimed. Write or
- LEG call the Florida Public Service Commission's Office of the General Counsel for
- additional information, (850) 413-6248.

- LIN _____
- OPC _____
- RCH _____
- SEC I
- WAS _____

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FPSC-RECORDS/REPORTING

Alturas Water Works

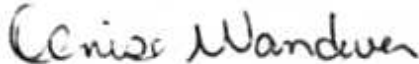
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A formal audit report will be issued for internal official use only by the Commission on or about July 1, 1998. A copy of the final report will be mailed to the company liaison officer listed in the Commission Mailing Directory. Comments should be mailed to the Director of Records and Reporting within ten days after receipt.

Questions regarding the audit or staff conduct should be directed to Ian Forbes or myself at (850) 413-6487.

Sincerely,



Denise N. Vandiver

DNV/sp

Enclosure: (1) Excerpts from Rule 25-22.006, F.A.C.
and 366.093, F.S.

cc: Mary Andrews Bane, Deputy Executive Director/Tech. (w/o enclosure)
Field Audit Supervisor
Legal Services (w/o enclosure)
Division of Records and Reporting (w/o enclosure)
Public Counsel