STATE OF FLORIDA



PSC-RECORDS/REPORTING

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



TIMOTHY DEVLIN, DIRECTOR AUDITING & FINANCIAL ANALYSIS (850) 413-6480

Public Service Commission

February 24, 1999

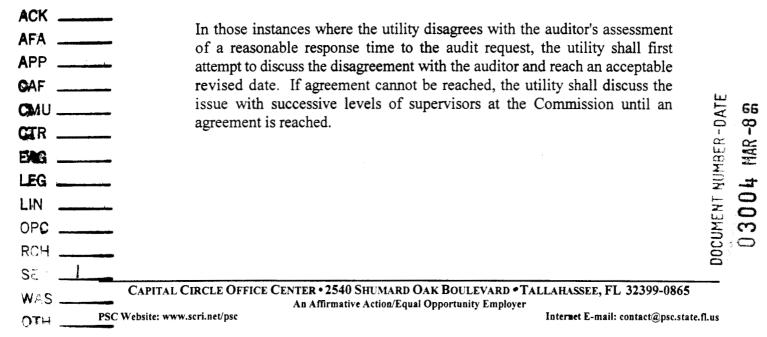
Mr. James A. McGee Florida Power Corporation P. O. Box 14042 St. Petersburg, FL 33733-4042

Re: Docket No. 990001-EI; Florida Power Corporation Audit Request; Capacity Cost - Period Ended December 1998

Dear Mr. McGee:

The Florida Public Service Commission will conduct a Capacity Cost audit for the period ended December 31, 1998 in accordance with Commission audit procedures. Access will be requested to documents and records of the utility and, if necessary, supporting records for affiliate company transactions that affect regulated operations. Staff auditors may also request to review the utility's external audit working papers for the most recent independent audit. Jim McPherson, (813) 744-6093, the district office supervisor, will coordinate this audit. Questions regarding the audit or audit staff should be directed to the district supervisor or myself. My phone number is (850) 413-6487.

The Audit Access to Records rule for each industry states:



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A formal report is expected to be issued for internal Commission use in July 1999. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,

Juise Wandie

Denise N. Vandiver Bureau Chief - Auditing

DNV:sp

cc: District Office Supervisor Division of Legal Services Division of Records and Reporting Public Counsel