

ORIGINAL

STATE OF FLORIDA

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DIVISION OF AUDITING & SAFETY
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

July 15, 2002

Mr. Donald Rasmussen, Vice President, Vice President
Labrador Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

Re: **Docket No.:** 020484-WS; **Company Name:** Labrador Utilities, Inc.; **Audit Purpose:** Establish rate base for transfer purposes as of May 31, 2002 ; **Audit Control No.:** 02-196-2-1

Dear Mr. Rasmussen:

The Florida Public Service Commission will conduct an audit to Establish rate base for transfer purposes as of May 31, 2002, 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. Mr. Jim McPherson, the Tampa district office supervisor, will coordinate this audit. Mr. McPherson can be reached at (813) 356-1444. 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:

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC H
- OTH _____

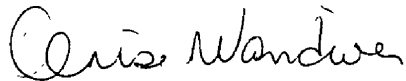
In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached.

DOCUMENT NUMBER - DATE
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FPSC-COMMISSION CLERK

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A formal report is expected to be issued to internal Commission use on October 31, 2002. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,


Denise N. Vandiver, Chief
Bureau of Auditing

DNV/jcp

cc: Division of Auditing and Safety (Tampa District Supervisor, File Folder)
Division of the Commission Clerk and Administrative Services
General Counsel
Office of Public Counsel

Martin S. Friedman, Esq.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Steve M. Lubertozi
c/o Utilities Inc.
2335 Sanders Road
Northbrook, IL 60062-6196