

STATE OF FLORIDA

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CAPITAL CIRCLE OFFICE CENTER
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TALLAHASSEE, FL 32399-0850

Public Service Commission

August 21, 2007

RECEIVED - FPSC
07 AUG 23 AM 10:26
COMMISSION
CLERK

Mr. Doug Carter, General Manager
K W Resort Utilities Corp.
P.O. Box 2125
Key West, FL 33045

Re: Docket No: 070293-SU; Company Name: K W Resort Utilities Corp.;
Purpose: File and Suspend Rate Case; Company Code: SU336;
Audit Control No: 07-233-4-1

Dear Mr. Carter:

The Florida Public Service Commission will conduct a rate case audit, 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. Ms Kathy Welch, the Miami district office supervisor, will coordinate this audit. Ms. Welch can be reached at (305) 470-5600. 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:

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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A formal report is expected to be issued for internal Commission use on October 24, 2007. 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/sbj

cc: Division of Regulatory Compliance & Consumer Assistance
(All District Offices, File Folder).
Division of the Commission Clerk
General Counsel
Office of the Public Counsel

Rose Law Firm
F. Marshall Deterding
2548 Blairstone Pines Dr.
Tallahassee, FL 32301