

State of Florida

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TIMOTHY DEVLIN, Director  
Auditing & Financial Analysis  
(904) 413-6480

Public Service Commission

February 6, 1996

Palm Coast Utility Corporation  
James A. Perry  
2 Utility Drive  
Palm Coast, FL 32137-7392

Dear Mr. Perry:

Docket No. 951056-WS -- Palm Coast Utility Corporation  
Rate Case Audit Request - Period Ended June 30, 1995

The Florida Public Service Commission will review the rate base, capital structure and net operating income as of June 30, 1995 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.

CK \_\_\_\_\_ Rule 25-30.110(b), F.A.C., states that, "Unless otherwise authorized by the  
FA \_\_\_\_\_ Commission, each utility shall maintain its records at the office or offices  
of the utility within this state and shall keep those records open for  
inspection during business hours by Commission staff".

\_\_\_\_\_ Rule 25-22.006, F.A.C., promulgates the procedure to exempt confidential and  
proprietary business information from Public Records Law 119.07(1), Florida  
Statutes. Excerpts from this rule are attached to this letter however, the  
rule should be read in its entirety when an exemption is claimed. Write or  
call the Florida Public Service Commission's Office of the General Counsel for  
additional information, (904) 413-6248.

DOCUMENT NUMBER-DATE

01526 FEB-8 88

FPSC-RECORDS/REPORTING

Palm Coast Utility Corporation

February 6, 1996

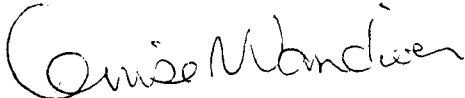
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A formal audit report will be issued for internal official use only by the Commission on or about April 12, 1996. A copy of the final report will be mailed to the company liaison officer listed in the Commission Mailing Directory. Comments should be mailed to the Director of Records and Reporting within ten days after receipt.

Please complete the Pre-audit Questionnaire and use the pre-stamped envelope to return the completed form to me by February 21, 1996.

Questions regarding the audit or staff conduct should be directed to Ian Forbes or myself.

Sincerely,



Denise N. Vandiver

DNV/sp

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

(2) Pre-audit Questionnaire

(3) Pre-stamped, Addressed Envelope

cc: Mary Andrews Bane, Deputy Executive Director/Tech. (w/o enclosures)  
Field Audit Supervisor

Legal Services (w/o enclosures)

✓ Division of Records and Reporting (w/o enclosure)

Public Counsel