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

Public Service Commission

May 30, 2002

Ms. Kimberly A. Gossett
Pinecrest Ranches, Inc.
P. O. Box 2898
Winter Haven, FL 33883-2898

Re: Docket No. 020406-WU; Pinecrest Ranches, Inc.; Audit Request: Staff assisted rate case; **Audit Control No. 02-149-2-1**

Dear Ms. Gossett:

The Florida Public Service Commission will conduct a staff assisted rate case, 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

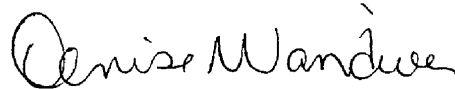
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FPSC-COMMISSION CLERK

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A formal report is expected to be issued for internal Commission use on August 5, 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

Karen Premuto
Campbell & Associates
201 Avenue G, SW
Winter Haven, FL 33880