

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY



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

Public Service Commission

December 9, 2002

Ms. Susan D. Ritenour, Assistant Secretary ,
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Re: **Docket No.:** 020001-El; **Company Name:** Gulf Power Company;
Audit Purpose: Audit base year costs for security and hedging costs to be allowed
in fuel cost recovery clause ; **Audit Control No.:** 02-340-1-1

Dear Ms. Ritenour:

The Florida Public Service Commission will conduct an audit to Audit base year costs for security and hedging costs to be allowed in fuel cost recovery clause, 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. Lynn Deamer, the Tallahassee district office supervisor, will coordinate this audit. Ms. Deamer can be reached at (850) 413-6416. 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.

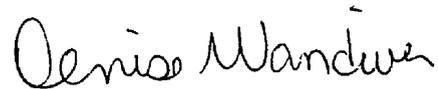
- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC /
- OTH _____

DOCUMENT NUMBER - DATE
13479 DEC 10 02
FPSC-COMMISSION CLERK

Ms. Susan Ritenour
Page 2
December 9, 2002

A formal report is expected to be issued to internal Commission use on June 15, 2003. 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 (Tallahassee District Supervisor, File Folder)
Division of the Commission Clerk and Administrative Services
General Counsel
Office of Public Counsel

Mr. Ronnie Labrato
Chief Financial Officer & Comptroller
Gulf Power Company
One Energy Place
Pensacola, Florida 32520