



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: April 10, 2003
TO: Division of Commission Clerk and Administrative Services
FROM: Tony Sargent, Professional Accountant, Division of Economic Regulation. TS
RE: Docket No. 021228-WS - application for staff assisted rate case in Brevard County by Service Management Systems, Inc.

The attached letter was sent to the Division of Economic Regulation. Please include it in the official docket file for Docket No. 021228-WS.

Thank you.

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(LICENSED IN TEXAS ONLY)

April 7, 2003

Marshall Willis, CPA
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
PUBLIC SERVICE
COMMISSION
03 APR -8 AM 8:59
Division of
ECONOMIC REGULATION

Re: **Service Management Systems, Inc.; PSC Docket No. 021228-WS**
Application for Staff Assisted Water and Sewer Rate Increase in Brevard County
Our File No. 36082.01

Dear Marshall:

We are currently preparing a response to the Audit Report issued in the above-referenced Staff Assisted Rate Case. The Utility and Mr. Nixon are reviewing that report. Because it suggests numerous adjustments, and because it has fallen right in the middle of Mr. Nixon's busy Annual Report preparation season, it may take a little more time than normal. In addition, Mr. Nixon has had to be out of the office on personal matters in recent days. We will be getting back to you shortly with a response to that audit.

In the meantime, we are concerned that the issue of "used and useful" that is not addressed within the audit but instead will be addressed by the Staff Engineer, may be a significant issue in this case. As such, we would like the opportunity to review any engineering report and address any concerns with that document as well, before it becomes a part of the final Staff Recommendation in the staff assisted proceeding. In this way, we hope to be able to discuss any concerns that we have with the staff and attempt to iron them out before the matter gets taken to an agenda conference for Proposed Agency Action.

We appreciate the staff's assistance in this regard in hopes that we can resolve any differences with regard to either the audit or other proposed adjustments before they become they proceed for final action.

Marshall Willis
April 7, 2003
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I look forward to hearing from you. We will provide a response to the Audit Report in the very near future.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD\tms

cc: Ralph Jaeger, Esquire
Troy Rendell
Denise Vandiver
Jim Bates
Robert Frazier, Esquire

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