

STATE OF FLORIDA

COMMISSIONERS:  
BRAULIO L. BAEZ, CHAIRMAN  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



DIVISION OF REGULATORY  
COMPLIANCE AND CONSUMER  
ASSISTANCE  
DANIEL M. HOPPE, DIRECTOR  
(850) 413-6480

Public Service Commission

June 16, 2004

Mr. John T. English, President & CEO,  
Florida Public Utilities Co.  
401 South Dixie Highway  
West Palm Beach, FL 33402

Re: **Docket No.:** 040216-GU; **Company Name:** Florida Public Utilities Co.; **Audit Purpose:** Determine that rate base, net operating income and capital structure for the historical test year ended December 31, 2003 are representative and in conformity with current Commission policy for purposes of calculating revenue requirements; **Audit Control No.:** 04-168-4-1

Dear Mr. English:

The Florida Public Service Commission will conduct an audit to determine that the rate base, net operating income and capital structure for the historical test year ended December 31, 2003, are representative and in conformity with current Commission policy for purposes of calculating revenue requirements, 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.

DO DOCUMENT NUMBER DATE  
06769 JUN 08  
FPSC-COMMISSION CLERK

Mr. John T. English  
Page 2  
June 16, 2004

A formal report is expected to be issued for internal Commission use on August 16, 2004. 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 Regulatory Compliance and Consumer Assistance (Miami District  
Supervisor, File Folder)  
Division of the Commission Clerk and Administrative **Services** (2)  
General Counsel  
Office of Public Counsel

Ms. Cheryl Martin  
Florida Public Utilities Co., Gas Division  
Post Office Box 3395  
West Palm Beach, FL 33402

Messer Law Firm  
Norman H. Horton, Jr., Esq.  
P.O. Box 1876  
Tallahassee, FL 32302-1876