

Commissioners:

J. TERRY DEASON, CHAIRMAN
THOMAS M. BEARD
SUSAN F. CLARK
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JULIA L. JOHNSON



TIMOTHY DEVLIN, Director
Auditing & Financial Analysis
(904) 488-8147

Public Service Commission

July 12, 1993

Southern Bell Telephone Company
Marshall M. Criser, III
150 South Monroe Street, Suite 400
Tallahassee FL 32301-1556

Dear Mr. Criser:

Docket No. 920260-TL -- Southern Bell Telephone Company
Rate Case Audit Request - 12 Months Ended 12/31/92

The Florida Public Service Commission will review the schedules for rate base net operating income and capital structure for the 12-month period ended December 31, 1992 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. Kathy Welch, the district office supervisor, (305) 470-5600, will coordinate this audit.

Rule 25-4.019(3), F.A.C., states that, "Upon notification to the utility, members [Commission] may, at reasonable times, make personal visits to the company offices or other places of business within or without the State and may inspect any accounts, books, records, and papers of the company which may be necessary in the discharge of Commission duties. During such visits the company shall provide staff member(s) with adequate and comfortable working and filing space consistent with the accommodations provided the company's outside auditor".

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Southern Bell Telephone Company
July 12, 1993

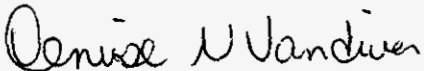
- 2 -

A formal audit report will be issued for internal official use only by the Commission on or about December 17, 1993. An audit exit conference will be scheduled to inform you of draft findings and prevent audit staff misunderstanding of a company record or procedure. 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 Commission Clerk 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 July 27, 1993.

Questions regarding the audit or staff conduct should be directed to Kathy Welch 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
(4) Data Processing Questionnaire

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 enclosures)
Public Counsel

Tom Lohman
150 West Flagler Street, Suite 1901
Miami, FL 33130