

R & R

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

Public Service Commission

ORIGINAL
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April 13, 1995

Southern Bell Telephone Company
A. M. Lombardo
150 South Monroe Street, Suite 400
Tallahassee, FL 32301-1556

Dear Mr. Lombardo:

Docket No. 920260-TL -- Southern Bell Telephone Company
Surveillance Audit Request - Period Ended December 31, 1994

The Florida Public Service Commission will review the Company's Earnings Surveillance Report for the 12-month period ended December 31, 1994 in accordance with Commission audit procedures. Auditors may select one or more accounts for detailed examination. Access may be requested to documents or 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

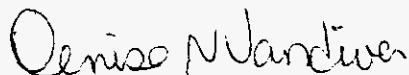
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A formal audit report will be issued for internal official use only by the Commission on or about October 31, 1995. An audit exit conference will be scheduled to inform you of draft findings and prevent audit staff misunderstanding of a company record 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 Director of Records and Reporting within ten days after receipt.

Questions regarding the audit or staff conduct should be directed to Kathy Welch or myself.

Sincerely,



Denise N. Vandiver

DNV/sp

Enclosure: (1) Excerpts from Rule 25-22.006, F.A.C.
and 366.093, F.S.

cc: Mary Andrews Bane, Deputy Executive Director/Tech. (w/o enclosure)
Field Audit Supervisor
Legal Services (w/o enclosure)
Division of Records and Reporting (w/o enclosure)
Public Counsel