

State of Florida

RFP

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



TIMOTHY DEVLIN, Director
Auditing & Financial Analysis
(850) 413-6480

ORIGINAL

Public Service Commission

March 31, 1998

Gulf Power Company
Warren E. Tate
One Energy Place
Pensacola, FL 32520-0780

Dear Mr. Tate:

Docket No. 980001-EI -- Gulf Power Company
Capacity Cost Audit Request - Period Ending March 31, 1998

The Florida Public Service Commission will conduct a capacity cost audit for the period ending March 31, 1998 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. Rhonda Hicks, the district office supervisor, (850) 413-6449, will coordinate this audit.

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- APP _____
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Gulf Power Company

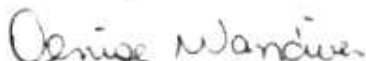
March 31, 1998

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A formal audit report will be issued for internal official use only by the Commission on or about June 16, 1998. 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 Rhonda Hicks or myself at (850) 413-6487.

Sincerely,



Denise N. Vandiver

DNV/sp

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

cc: Mary Bane Andrews, 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