

2335 Sanders Road
 Northbrook, Illinois 60062-6196
 Telephone 847 498-6440
 Facsimile 847 498-2066

March 10, 1999

Ms. Hillary Y. Sweeney
 Regulatory Analyst
 Division of Auditing & Financial Analysis
 Florida Public Service Commission
 Orlando District Office
 Hurston North Tower
 Suite N512
 400 West Robinson St.
 Orlando, FL 32801-0846

RE: **Docket No. 980670-WS**
 Investigation of Possible Overearnings by Sanlando Utilities Corporation in
 Seminole County.

Dear Ms. Sweeney:

This letter is in response to Audit Request No. 1 which I received today. Please be advised that I am the contact person on the Sanlando audit.

I would also like to take this opportunity to comment on our recent telephone conversation as well as a telephone call that I received shortly afterward from Denise Vandiver. During both conversations I sensed frustration that the Sanlando audit is not my top priority. The urgency to complete the audit is dictated by your internally imposed deadlines for the audit report and Staff Recommendation. I did not set those deadlines, nor was I afforded the simple courtesy of commenting on the deadlines so as to inform you how such deadlines may conflict with my schedule.

It is my understanding that you will be here in my office on Monday March 29th. The audit will continue for four weeks. As I stated in my conversation with Ms. Vandiver, I will be on vacation the week preceding your arrival. In addition, I have testimony deadlines in other significant proceedings on April 16, April 22 and May 3. I will be available to you on a very limited basis. Likewise, my staff is also very busy. Also, April 2nd is Good Friday. I may not be in the office for the entire day April 2nd.

Furthermore, as I stated to Ms. Vandiver, we are presently in the process of consolidating the Sanlando office with the Utilities, Inc. office in Altamonte Springs. Operational records will remain in Florida, while the accounting and financial information is in the

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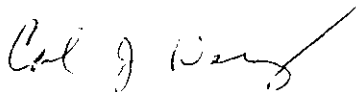
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process of being transferred to Northbrook. I am not familiar with how the Sanlando personnel maintained their records, nor can I comment on their completeness. As such, I think we should recognize, before you get started, that the audit may be more difficult and time consuming than we are both used to. Ms. Vandiver understood all of this and indicated to me that the audit will consist mainly of you and your staff sorting through the Sanlando boxes that we have here. My staff and I will have little involvement, but as always, we will help you in any way we can.

If you would like to discuss this matter any further, please feel free to call me.

Respectfully submitted,



Carl J. Wenz
Vice President, Regulatory Matters

cc: Division of Records and Reporting (Bayo)
Martin S. Friedman

cjw/me