

R & R

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TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

April 23, 1999

Mr. Larry Ullery
Water Oak Utilities Co., Inc.
31700 Middlebelt, #145
Farmington Hills, MI 48334

Re: **Docket No. 990243-WU; Water Oak Utilities Co., Inc.
Audit Request; Potential Overearnings**

Dear Mr. Ullery:

The Florida Public Service Commission will prepare schedules of rate base, capital structure and net operating income using a test year ending December 31, 1998 and show all averaging adjustments. 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. Ian Forbes, (407) 245-0846, the district office supervisor, will coordinate this audit. 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.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
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- WAW _____
- OTH _____

DOCUMENT NUMBER - DATE

05372 APR 27 99

FPSC-RECORDS/REPORTING

Mr. Larry Ullery
Page 2
April 23, 1999

A formal report is expected to be issued for internal Commission use in June 1999. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver
Bureau Chief - Auditing

DNV:sp

cc: District Office Supervisor
Division of Legal Services
Division of Records and Reporting
Public Counsel

F. Marshall Deterding
2548 Blirstone Pines Drive
Tallahassee, FL 32301