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

# Public Service Commission

October 7, 1999

Mr. F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

**Re: Docket No. 990243-WU; Application for limited proceeding increase and restructuring of water rates by Water Oak Utilities Co., Inc. in Lake County; Audit Control No. 99-113-3-1**

Dear Mr. Deterding:

I received your letter dated September 22, 1999 expressing your concerns regarding my procedures in distributing audit reports. As I expressed in my letter dated December 8, 1997, the Division of Auditing and Financial Analysis has consistently held that audits are not formal discovery and that all correspondence with the utility does not need to be routed through the attorney of record. I have attached this previous letter instead of reiterating the points made.

Since receiving your current letter, I have met with staff in the Divisions of Legal Services, Water and Wastewater, and Records and Reporting as well as staff within my own division. We have discussed past and current practices with various types of correspondence and how copies are distributed. I continue to believe that when an audit report is "issued", it is merely a transmittal of a report from audit staff to the staff requesting the audit. We have always sent a copy to the utility in case the utility has additional information that may be relevant to the audit report.

Based on my conversations, I have decided that the utility's decision to request an attorney of record in a docket is sufficient to prompt my office to send a copy of the audit report to both the utility's liaison person listed in the Master Commission Directory as well as the attorney of record in each docket. My revised procedures will also drop the automatic copy to the Office of Public Counsel in all docketed audits. This will alleviate concerns regarding one party receiving a copy of the audit without providing copies to all intervenors.

- \_\_\_\_\_ AFA
- \_\_\_\_\_ APP
- \_\_\_\_\_ CWF
- \_\_\_\_\_ CMU
- \_\_\_\_\_ CTR
- \_\_\_\_\_ EAC
- \_\_\_\_\_ LEG
- \_\_\_\_\_ MAS
- \_\_\_\_\_ OPC
- \_\_\_\_\_ PAI
- \_\_\_\_\_ SEC
- \_\_\_\_\_ WAV
- \_\_\_\_\_ OTH

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FPSC-RECORDS/REPORTING

Mr. F. Marshall Deterding  
Page 2  
October 7, 1999

As your letter indicates that you have received a copy of the audit report for Water Oak Utilities Co., Inc., I have not attached a copy with this letter. Changes addressed in this letter shall become effective immediately.

Sincerely,



Denise N. Vandiver  
Bureau Chief - Auditing Services

Enclosure

cc: Deputy Executive Director (Mary A. Bane)  
✓ Division of Records and Reporting  
Division of Legal Services (Crossman, Vacarro, Gervasi)  
Division of Water and Wastewater (Crouch, Edwards, Lingo, Rehwinkel, Rendell,  
Rieger)  
Water Oak Utilities Co., Inc.  
Mr. Brian Fannon  
31700 Middlebelt  
Farmington Hills, MI 48334