

ORIGINAL

STATE OF FLORIDA

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

August 7, 2001

Mr. Gary L. Souders
Sandy Creek Utilities, Inc.
1732 Highway 2297
Panama City, FL 32404-2762

Re: **Docket No. 010852; Sandy Creek Utilities, Inc.;**
Audit Request: To establish a current rate base for transfer;
Audit Control No. 01-218-1-1

Dear Mr. Souders:

The Florida Public Service Commission will establish a current rate base for transfer, 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. Ms. Lynn Deamer, (850) 413-6416, 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.

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A formal report is expected to be issued for internal Commission use on October 2, 2001. 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 of Auditing Services

cc: Division of Regulatory Oversight (Tallahassee District Office Supervisor, File Folder)
Division of the Commission Clerk and Administrative Services
Division of Legal Services
Office of the Public Counsel

Ben Girtman, Esq.
1020 E. Lafayette St., #207
Tallahassee, Florida 32301-4552