

STATE OF FLORIDA

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DIVISION OF AUDITING AND SAFETY
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

January 11, 2002

Ms. Fannie J. Shields, Owner
Linadale Water Company
24901 So. East County Highway 42
Umatilla, FL 32784-9144

Re: Docket No. 011632-WU; Linadale Water Company; Audit Purpose: to establish a current rate base as of the date of transfer; Audit Control No.02-009-3-3

Dear Ms. Shields:

The Florida Public Service Commission will conduct an audit to establish a current rate base as of the date of 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. Charleston Winston, the Orlando district office supervisor, will coordinate this audit. Mr. Winston can be reached at (407) 245-0846. 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:

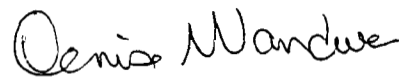
In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss the issue with successive levels of supervisors at the Commission until an agreement is reached.

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

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A formal report is expected to be issued for internal Commission use on April 2, 2002. 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 Auditing and Safety (Orlando District Office Supervisor, File Folder)
Division of the Commission Clerk and Administrative Services
General Counsel
Office of the Public Counsel

Ms. Pamela Christmas, Manager
Sunshine Utilities of Central Florida, Inc.
10230 East Highway 25
Bellevue, FL 34420