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

Public Service Commission

August 21, 2002

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

RE: Docket No. 010087-WS; Audit of Sun Communities Finance, LLC d/b/a Water Oak Utility; Audit Control No. 02-009-3-2

Dear Mr. Deterding:

In response to your letter dated August 14, 2002, I am willing to extend the deadline for the response, but not to the extent that you have requested. I believe that in your letter and in a conversation between Ms. Shepherd and the utility, it is agreed that the 2000 meters are maintained in a computerized format. Therefore, since the request was originally issued on August 8, 2002, I believe that it would be reasonable for the response regarding the 2000 meters to be completed by Friday, August 23, 2002. I am concerned with the situation as you and the utility have reported regarding the 1999 meters. I believe that the information requested is required by rule to be kept readily available. As the due date has expired and it appears that the information has not been gathered, I will extend the due date for the 1999 meters until August 28, 2002. In making my decision I considered the following issues.

First, I considered the recent audit requests. I summarized the requests and it appears that over an eight day period, six requests were issued and only two are still outstanding.

Date Issued	Request Number	Description	Status
8/5/02	15	Clarification on revenues	answered
8/6/02	16	Explanation of management fee	answered
8/8/02	17	Meters for 1999 and 2000	at issue
8/13/02	18	Capital Structure reconciliation	pending
8/13/02	19	Conservation invoices	answered
8/14/02	20	Debt instruments	answered

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I also considered your assessment that Ms. Shepherd failed to consider the requirements under Rule 25-30.145(b), Florida Administrative Code. The rule states:

In establishing a due date, the auditor shall consider the location of the records, the volume of information requested, the number of pending requests, the amount of independent analysis required, and reasonable time for the utility to review its response for possible claims of confidentiality or privilege.

I believe that Ms. Shepherd applied this rule while also considering the record retention requirements in Commission rule 25-30.110(1)(a), F.A.C. This rule adopts the "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities" as issued by the National Association of Regulatory Utility Commissions (as revised May 1985.) I agree with Ms. Shepherd that if the utility followed the requirements as listed below, the requested meter records would be readily available and should not take as long as you have requested.

Page #	Description	Retention Period
31	Meter History Records	Life of Meter
34	Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc. of physical units (of plant.)	6 years after plant is retired

Please be aware that this delay could indicate the utility's failure to comply with Commission rules. Subsequent to the providing of the meter information, you may want to also submit a statement addressing how you will address the issue of keeping continuing property records readily available. I suggest that this statement be prepared for the analyst's review approximately mid-October. If you should have any questions regarding my comments, please feel free to call me at (850)413-6487.

Sincerely,



Denise N. Vandiver
Bureau Chief of Auditing

cc: Orlando District Office (Winston, Shepherd)
Division of Economic Regulation (Rendell, Fitch)
Division of Commission Clerk and Administrative Services
Sun Communities Finance, LLC d/b/a Water Oak Utility (Mary A. Patrella)