

STATE OF FLORIDA

COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
RUDOLPH "RUDY" BRADLEY



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

Public Service Commission

February 7, 2003

Mr. Stuart L. Shoaf, President,  
St. Joe Natural Gas Company  
P. O. Box 549  
Port St. Joe, FL 32456-0549

Re: **Docket No.:** 030004-GU; **Company Name:** St. Joe Natural Gas Company; **Audit Purpose:** Conservation Gas Cost Recovery True-up for the period January 2002 through December 2002 ; **Audit Control No.:** 03-037-1-1

Dear Mr. Shoaf:

The Florida Public Service Commission will conduct an audit of the Conservation Gas Cost Recovery True-up for the period January 2002 through December 2002, 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, the Tallahassee district office supervisor, will coordinate this audit. Ms. Deamer can be reached at (850) 413-6416. 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:

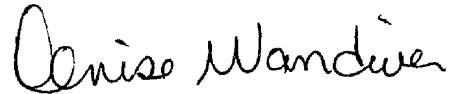
In those instances where the utility disagrees with the auditor's assessment of a reasonable response time to the audit request, the utility shall first attempt to discuss the disagreement with the auditor and reach an acceptable revised date. If agreement cannot be reached, the utility shall discuss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

DOCUMENT NUMBER DATE  
01370 FEB 10 2003  
FPSC-COMMISSION CLERK

Mr. Stuart L. Shoaf  
Page 2  
February 7, 2003

A formal report is expected to be issued to internal Commission use on July 21, 2003. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver, Chief  
Bureau of Auditing

DNV/jcp

cc: Division of Auditing and Safety (Tallahassee District Supervisor, File Folder)  
Division of the Commission Clerk and Administrative Services  
General Counsel  
Office of Public Counsel