

STATE OF FLORIDA

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

Public Service Commission

December 19, 2003

Kathryn G. W. Cowdery
Ruden Law Firm
215 S. Monroe Street, Suite 815
Tallahassee, FL 32301

Dear Ms. Cowdery:

Re: Docket No.030998-WS; CWS Communities LP d/b/a Palm Valley (WS832 - Seminole County); Transfer of majority organizational control from Chateau Communities, Inc. to Hometown America, LLC; Audit Control No. 03-353-3-2

Dear Ms. Cowdery:

The Florida Public Service Commission will audit the rate base of CWS Communities LP d/b/a Palm Valley, 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, (407) 245-0846, the Orlando 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 March 1, 2004. 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

cc: Division of Auditing and Safety (Orlando District Office Supervisor, File Folder)
Division of Commission Clerk and Administrative Services (2)
General Counsel
Office of the Public Counsel

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