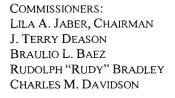
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STATE OF FLORIDA



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

Hublic Service Commission

January 2, 2004

Mr. Brian J. Powers, Indiantown Gas Company 16600 S. W. Warfield Blvd. P. O. Box 8 Indiantown, FL 34956

Re: **Docket No.:** 030954-GU; **Company Name:** Indiantown Gas Company; **Audit Purpose:** Determine that the rate base, net operating income and capital structure for the historical test year ended December 31, 2002, are representative, and in conformity with current Commission policy for purposes of calculating reveue requirements; **Audit Control No.:** 03-365-4-1

Dear Mr. Powers:

The Florida Public Service Commission will conduct an audit to determine that the rate base, net operating income and capital structure for the historical test year ended December 31, 2002, are representative, and in conformity with current Commission policy for purposes of calculating reveue requirements, 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. Kathy Welch, the Miami district office supervisor, will coordinate this audit. Ms. Welch can be reached at (305) 470-5600. Questions regarding the audit or audit staff should be directed to the district supervisor or myself. My phone number is (850) 413-6487.

AUS _____ CAF _____ COM _____ CTR _____ ECR ____ GCL ____ OPC ____ MMS ____ SEC ____ OTH

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.



PSC-COMMISSION CLERI

Mr. Brian J. Powers Page 2 January 2, 2004

A formal report is expected to be issued for internal Commission use on February 27, 2004. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,

Oenise Mandwe

Denise N. Vandiver, Chief Bureau of Auditing

DNV/jcp

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

Robert Scheffel Wright/John LaVia, III Landers Law Firm P. O. Box 271 Tallahassee, FL 32302