

ORIGINAL

STATE OF FLORIDA

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DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
DANIEL M. HORPES, DIRECTOR  
(850) 413-6480

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COMMISSION CLERK

Public Service Commission

July 27, 2004

Patrick C. Flynn, Regional Director  
Labrador Utilities, Inc.  
200 Weathersfield Avenue  
Altamonte Springs, FL 32714

Re: **Docket No.:** 030443-WS; **Company Name:** Labrador Utilities, Inc.; **Audit Purpose:** Audit the utility's water and wastewater rate base, capital structure, and net operating income for the test year ended December 31, 2003; **Audit Control No.:** 04-173-3-1

Dear Mr. Flynn:

The Florida Public Service Commission will conduct an audit of the utility's water and wastewater ratebase, capital structure and net operating income for the test year ended December 31, 2003, 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.

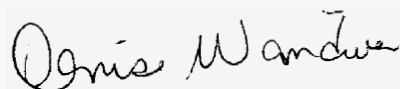
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A formal report is expected to be issued for internal Commission use on September 28, 2004. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver, Chief  
Bureau of Auditing

DNV/jcp

cc: Division of Regulatory Compliance and Consumer Assistance (Orlando District Office, File Folder)  
Division of the Commission Clerk and Administrative Services (2)  
General Counsel  
Office of Public Counsel

Steven Lubertozzi, Director of Regulatory Accounting  
Utilities Inc.  
2335 Sanders Road  
Northbrook, IL 60062

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600 So. North Lake Blvd., Suite 160  
Altamonte Springs, FL 32701