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STATE OF FLORIDA



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

Public Service Commission

April 7, 2005

Mr. Bill Walker, Vice President
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859

Re: **Docket No.** 050045-EI; **Company Name:** Florida Power and Light Company; **Audit Purpose:** Determine that rate base, net operating income and capital structure for the historical test year ended December 31, 2004 are representative and in conformity with current policy for the purpose of calculating revenue requirements **Audit Control No.:**05-094-4-1

Dear Mr. Walker:

The Florida Public Service Commission will conduct an audit to determine that rate base, net operating income and capital structure for the historical test year ended December 31, 2004 are representative and in conformity with current policy for the purpose of calculating revenue 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. Kathy Welch, the Miami District 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.

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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EDUCATIONAL SERVICES

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A formal report is expected to be issued for internal Commission use on June 13, 2005. 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 (Miami District Supervisor) and file folder
Division of the Commission Clerk and Administrative Services (2)
General Counsel
Office of Public Counsel

R. Wade Litchfield/Natalie F. Smith
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700 Universe Blvd.
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