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Public Service Commission

COMMISSION  
CLERK

March 13, 2007

Mr. Paul Lewis, Jr.  
Progress Energy Florida  
106 E. College Ave., Suite 800  
Tallahassee, FL 32301-7740

Re: Docket No: 070002-EG; Company Name: Progress Energy Florida;  
Audit Purpose: Energy Conservation Cost Recovery Clause Audit;  
Audit Control No: 07-071-2-4

Dear Mr. Lewis:

The Florida Public Service Commission will conduct an Energy Conservation Cost Recovery Clause Audit, 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. Mr. Joe Rohrbacher, the Tampa district office supervisor, will coordinate this audit. Mr. Rohrbacher can be reached at (813) 356-1444. 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.

A formal report is expected to be issued for internal Commission use on June 25, 2007. 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/sbj

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

Mr. John T. Burnett  
Progress Energy Svs Co., LLC  
P.O. Box 14042  
St. Petersburg, FL 33733-4042