

R&R

Commissioners:

J. TERRY DEASON, CHAIRMAN
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



TIMOTHY DEVLIN, Director
Auditing & Financial Analysis
(904) 488-8147

Public Service Commission

October 27, 1994

Florida Public Utilities Company
Frank C. Cressman
P. O. Box 3395
West Palm Beach, FL 33402-3395

Dear Mr. Cressman:

Docket No. 940620-GU -- Florida Public Utilities Company
Rate Case Audit Request - Periods Ended 12/31/93 & Ending 12/31/95

The Florida Public Service Commission will review the historic base year ended December 31, 1993 and the projected test year ending December 31, 1995 in accordance with Commission audit procedures. Auditors may select one or more accounts for detailed examination. Access may be requested to documents and records supporting affiliate company transactions that affect regulated operations. Staff auditors may also request to review the firm's external audit working papers for the most recent independent audit. Kathy Welch, the district office supervisor, (305) 470-5600, will coordinate this audit.

- ACK _____ Rule 25-7.014(6), F.A.C., states that, "Upon direction of the Commission, or
- AFA _____ in the performance of delegated staff duties, any member of the Commission may
- APP _____ make at any reasonable time a personal visit to the utility's offices or other
- CAF _____ places of business, and may inspect any facility, records, accounts, books,
- CMU _____ reports, and papers of the utility which appear necessary in the discharge of
- CTR _____ Commission duties. During such visits the company shall provide staff
- EAG _____ member(s) with adequate and comfortable working and filing space, consistent
- LEG _____ with the prevailing conditions and climate and comparable with the
- LIN _____ accommodations provided the company's outside auditors".
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

DOCUMENT NUMBER - DATE
10990 OCT 28 5
FPSC-RECORDS/REPORTING

Florida Public Utilities Company

October 27, 1994

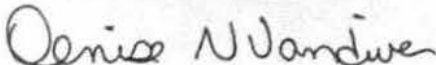
- 2 -

A formal audit report will be issued for internal official use only by the Commission on or about January 24, 1995. An audit exit conference will be scheduled to inform you of draft findings and prevent audit staff misunderstanding of a company record or procedure. A copy of the final report will be mailed to the company liaison officer listed in the Commission Mailing Directory. Comments should be mailed to the Director of Records and Reporting within ten days after receipt.

Please complete the Pre-audit Questionnaire and use the pre-stamped envelope to return the completed form to me by November 11, 1994.

Questions regarding the audit or staff conduct should be directed to Kathy Welch or myself.

Sincerely,



Denise N. Vandiver

DNV/sp

Enclosures: (1) Excerpts from Rule 25-22.006, F.A.C.
and 366.093, F.S.
(2) Pre-audit Questionnaire
(3) Pre-stamped, Addressed Envelope
(4) Data Processing Questionnaire

cc: Mary Andrews Bane, Deputy Executive Director/Tech. (w/o enclosures)
Field Audit Supervisor
Legal Services (w/o enclosures)
Division of Audit and Finance (Chaires)
Division of Records and Reporting (w/o enclosure)
Public Counsel