

STATE OF FLORIDA

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

December 4, 2001

Mr. Howard Short, President
Heartland Utilities, Inc.
P. O. Box 1991
Sebring, FL 33871-1991

Re: Docket No. 011401-WU; Heartland Utilities, Inc.; Audit Purpose: To establish rate base for transfer of utility; Audit Control No. 01-337-3-2

Dear Mr. Short:

The Florida Public Service Commission will establish a rate base, 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. Charleston Winston, the district office supervisor, will coordinate this audit. Questions regarding the audit or audit staff should be directed to the district supervisor at (407) 245-0846 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.

DOCUMENT NUMBER-DATE

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A formal report is expected to be issued for internal Commission use on February 25, 2002. A copy of the final report will be mailed to the company liaison listed in the Commission Mailing Directory.

Sincerely,



Denise N. Vandiver
Bureau Chief of Auditing Services

DNV/jcp

cc: Division of Regulatory Oversight (Orlando District Office Supervisor, File Folder)
Division of the Commission Clerk and Administrative Services
Division of Legal Services
Office of the Public Counsel

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