

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by § 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting

We noted no matters regarding Center County Telecommunications Systems, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records [list other comments];
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts [list other comments]; and
- The materials control [list other comments].

Comments on Compliance With Specific RUS Loan and Security Instrument Provisions

At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract, agreement or lease between the borrower and an affiliate of Center County Telecommunications Systems, Inc. for the year ended December 31, 20X1:

1. Obtained and read a borrower-prepared schedule of new written contracts, agreements or leases entered into during the year between the borrower and an affiliate as defined in § 1773.33(e)(2)(i).

2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.

3. Noted the existence of written RUS [and other mortgagee] approval of each contract listed by the borrower.

- Procedure performed with respect to the requirement to submit RUS Form 479 to the RUS:

1. Agreed amounts reported in Form 479 to Center County Telecommunications Systems, Inc.'s records.

The results of our tests indicate that, with respect to the items tested, Center County Telecommunications Systems, Inc. complied, except as noted below, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of the RUS [and other mortgagees] to enter into any contract agreement or lease with an affiliate as defined in § 1773.33(e)(2)(i) [list all exceptions]; and
- The borrower has submitted its Form 479 to the RUS and the Form 479, Financial

and Statistical Report, as of December 31, 20X1, represented by the borrower as having been submitted to RUS is in agreement with the Center County Telecommunications Systems, Inc.'s audited records in all material respects [list all exceptions] [or if the audit year end is other than December 31], appears reasonable based upon the audit procedures performed [list all exceptions].

Comments on Other Additional Matters

In connection with our audit of the financial statements of Center County Telecommunications Systems, Inc., nothing came to our attention that caused us to believe that Center County Telecommunications Systems, Inc. failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at § 1773.33(c)(1) [list all exceptions];
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at § 1773.33(c)(2) [list all exceptions];
- The retirement of plant addressed at § 1773.33(c)(3) and (4) [list all exceptions];
- The approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale of lease of plant, material, or scrap addressed at § 1773.33(c)(5) [list all exceptions];
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the year ended December 31, 20X1, in the financial statements referenced in the first paragraph of this report addressed at § 1773.33(f) [list all exceptions]; and
- The detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments required by § 1773.33(i) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[The detailed schedule of investments would be included here. The total of the investment in each company reported must agree with the detail investment subsidiary account(s).]

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants

[FR Doc. 01-12127 Filed 5-18-01; 8:45 am]

BILLING CODE 3410-15-P

DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

10 CFR Part 431

RIN 1904-AB06

Energy Efficiency Program for Commercial and Industrial Equipment: Efficiency Standards for Commercial Heating, Air Conditioning and Water Heating Equipment

AGENCY: Department of Energy (DOE).

ACTION: Final rule; completion of regulatory review.

SUMMARY: On January 12, 2001, DOE published in the **Federal Register** the final rule entitled "Energy Efficiency Program for Commercial and Industrial Equipment: Efficiency Standards for Commercial Heating, Air Conditioning and Water Heating Equipment" (66 FR 3336). In accordance with the memorandum of January 20, 2001, from the Assistant to the President and Chief of Staff, entitled "Regulatory Review Plan," published in the **Federal Register** on January 24, 2001 (66 FR 7702), DOE temporarily delayed for 60 days the effective date of that rule (66 FR 8745, February 2, 2001). DOE has now completed its review of that regulation, and does not intend to initiate any further rulemaking action to modify its provisions.

DATES: The effective date of the rule amending 10 CFR part 431 published at 66 FR 3336, January 12, 2001, and delayed at 66 FR 8745, February 2, 2001, is confirmed as April 13, 2001.

FOR FURTHER INFORMATION CONTACT: Jill Holtzman, Office of General Counsel, (202) 586-3410, jill.holtzman@hq.doe.gov or Lawrence R. Oliver, Office of the General Counsel, (202) 586-9521, lawrence.oliver@hq.doe.gov or Cyrus Nasser, Office of Energy Efficiency and Renewable Energy, (202) 586-9138, cyrus.nasser@ee.doe.gov.

Issued in Washington, DC on May 14, 2001.

Spencer Abraham,
Secretary of Energy.

[FR Doc. 01-12686 Filed 5-18-01; 8:45 am]

BILLING CODE 6450-01-P