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RECORDS AND REPORTING

July 12, 1999

VIA HAND DELIVERY

Ms. Blanca S. Bayò
Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

**Re: Florida Power & Light Company's Request for
Confidential Classification of Certain Material Provided
in Connection With Audit No. 98-194-4-1; Docket No. 990347-EI**

Dear Ms. Bayò:

I enclose and hand you herewith for filing in the above-referenced matter an original and two copies of amended page one of Exhibit C and a redacted version of work paper 1, page 10, submitted in connection with Florida Power & Light Company's ("FPL") Request for Confidential Classification filed March 17, 1999.

Amended page 1 of Exhibit C shows line 2, of page 10, work paper 1 to be confidential, consistent with Exhibit A to FPL's March 17, 1999 filing. The readated version of workpaper 1, page 10, should be included in Exhibit B to FPL's March 17, 1999 request.

Please do not hesitate to contact me should you or your Staff have any questions regarding this filing.

AFB _____
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

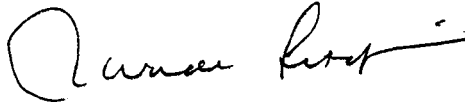
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FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayò
Director of Records and Reporting
Florida Public Service Commission
July 12, 1999
Page 2

Thanking you for your attention to this matter, I remain,

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Wade Litchfield". The signature is written in dark ink and is positioned above the printed name.

R. Wade Litchfield

RWL/mmm
Enclosures

Cc: Mary Anne Helton, Esq.
Robert Freeman

EXHIBIT C

COMPANY: Florida Power & Light Company
AUDIT TITLE: Bidding Naples-Rock Conditions-Undocketed
AUDIT CONTROL NUMBER: 98-194-4-1
DATE: March 17, 1999

WORKPAPER NUMBER	DESCRIPTION	PAGE NO.	COL. NO./ LINE NO.	CONF. Y/N	FLORIDA STATUTE	AFFIDAVIT:
					366.093(3) Subsection:	
1	REPORT	1-4		N		
		5	Lines 2, 3,10	Y	(d)	D. Bromley
		6		N		
		7	Line 2	Y	(d)	D. Bromley
		8	Line 2	Y	(d)	D. Bromley
		9		N		
		10	Line 2	Y	(d)	D. Bromley
8	SUMMARY BOARD OF DIRECTORS NOTES	1		N		
8-1	BOARD OF DIRECTORS NOTES	6		N		
8-2	BOARD OF DIRECTORS COMM. NOTES	5		N		
9	INTERNAL AUDIT NOTES	1	All lines	Y	(b)	R. Del Cueto
9-1	INTERNAL AUDIT NOTES	9	All lines	Y	(b)	R. Del Cueto
9-1/1	INTERNAL AUDIT NOTES	2	All lines	Y	(b)	R. Del Cueto

AUDIT DISCLOSURE NO. 4

/ **SUBJECT: CONTRACT WITH BURNUP AND SIMS**
REQUEST FOR PROPOSAL (RFP) APRIL 23, 1997
2 **PURCHASE ORDER NO. [REDACTED]**
DATED MAY 14, 1997

CONTRACT CHANGE ORDERS

3 **STATEMENT OF FACTS:** Several contract change orders seem to revise the scope of the contract. The first contract change order dated July 30, 1997 changed the scope of the contract by adding service work (service and meter order). As explained by the company, this is the service line connection from the backbone to the house. According to a company Florida Power and Light (FPL) representative, FPL started running out of crews to do the service work. Since they already had this contractor in the immediate area where there was development, it was more cost efficient to change the scope of the purchase order. Another FPL representative reported the reason the change order was implemented was because the company that had the contract, Kovac, could not fulfill their contract.

A contract change order dated December 6, 1998 was issued to add directional boring in Ft. Myers and Naples. This was added because of road crossings projects. Again personnel said this was not included in the initial contract because FPL felt they had the crews to handle this themselves at the time the RFP was sent out.

OPINION: The two contract change orders that change the scope of the contract could warrant a separate contract. While the company says it was more efficient to do the change orders, there is no documentation showing cost benefit for these changes. Without bidding, there is no assurance that FPL paid the lowest price. Company policies and procedures should include information on how to proceed in these types of situations where the scope of services changes. There should be authorizations, approvals and documentation. This would preclude any sense that there was favoritism among contractors and make sure FPL is getting the most favorable price.