

Writer's Direct Dial: (561) 691-7101

R. Wade Litchfield Senior Attorney Florida Authorized House Counsel Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 691-7135 (Facsimile)

January 16, 2003

VIA HAND DELIVERY

ORIGINAL

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 Revised First Request for Extension of Confidential Classification of Materials Provided in the Fuel Cost Recovery Audit No. 99-033-4-1 – Docket No. 030001-EI

Dear Ms. Bayò:

I enclose and hand you herewith for filing in the above-referenced matter, the original and two (2) copies of Florida Power & Light Company's ("FPL") Revised First Request for Extension of Confidential Classification of Materials Provided in the Fuel Cost Recovery Audit No. 99-033-4-1. -DNS 08555-99 € 09077-99

Also included is a computer diskette containing the electronic version of FPL's Revised First Request for Extension of Confidential Classification and Exhibit C in Microsoft Word format.

Please do not hesitate to contact me should you or your Staff have any questions regarding this filing. Thanking you for your attention to this matter, I remain,

Sincerely,

R. Wade Litchfield

RWL/ec

Enclosures

cc:

Division of Legal Services, FPSC

Office of Public Counsel

McWhirter, Reeves, McGlothlin, Davidson, et al.

Florida Public Utilities Co.

Tampa Electric Co.

Gulf Power Company

Progress Energy Florida, Inc.

DOCUMENT NUMBER-DATE

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extension of confidential)	DOCKET NO. 030001-EI
classification of materials granted)	
by Order No. PSC-01-0708-CFO-EI)	Date Filed: January 16, 2003

REVISED FIRST REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION OF MATERIALS PROVIDED IN THE FUEL COST RECOVERY AUDIT NO. 99-033-4-1

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and, pursuant to rule 25-22.006 of the Florida Administrative Code and section 366.093 of the Florida Statutes, hereby submits its Revised First Request for Extension of Confidential Classification of certain materials provided to the Florida Public Service Commission ("FPSC" or "Commission") staff ("Staff") in connection with the Staff audit identified as Audit Control No. 99-033-4-1 (hereinafter the "Audit"). In support of its Revised First Request for Extension of Confidential Classification, FPL states as follows:

1. Petitioner's name and address are:

Florida Power & Light Company P.O. Box 029100 Miami, Florida 33102-9100 Orders, notices, or other pleadings related to this request should be served on:

William G. Walker, III Florida Power & Light Company Vice President 215 South Monroe Street Suite 810 Tallahassee, Florida 32301-1859 (850) 521-3910 R. Wade Litchfield Florida Power & Light Company Senior Attorney 700 Universe Boulevard Juno Beach, Florida 33408-0420 (561) 691-7101 (561) 691-7135 Facsimile

- 2. On August 2, 1999, FPL filed with the Commission its Request for Confidential Classification of certain materials obtained during the Audit. FPL's initial filing consists of the Request for Confidential Classification and Exhibits A through D.
- 3. By Order No. PSC-01-0708-CFO-EI, dated March 20, 2001 in Docket No. 010001-EI, the Commission granted FPL's request.
- 4. The period of confidential treatment granted by the Commission will soon expire. The information that was the subject of FPL's August 2, 1999 Request warrants continued treatment as proprietary and confidential business information within the meaning of Section 366.093. Accordingly, FPL hereby submits its Revised First Request for Extension of Confidential Classification.
- 5. FPL incorporates herein by reference the portions of Exhibits A and B filed August 2, 1999 that consist of or reference Staff Audit Workpaper No. 9 (3 pages). Attached herewith are Exhibits C, FPL's Justification Matrix, and D, the Affidavit of Rick Del Cueto.
- 6. FPL seeks an extension of confidential protection for the information highlighted in Exhibit A. As indicated in the affidavit of Mr. Del Cueto, FPL submits that the highlighted information is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission

determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

- 7. The information in question continues to be competitively sensitive and should be protected for at least an additional period of eighteen months, or more as deemed appropriate by the Commission. The information consists of a description of internal audits conducted over a particular time period. As Mr. Del Cueto indicates in his affidavit, the materials in question continue to be competitively sensitive inasmuch as they identify specific areas of inquiry within the Company, the disclosure of which could cause competitive harm to FPL.
- 8. In some cases, the audits are conducted on FPL's contracts and relationships with specific vendors. In other cases, the audits are conducted on internal processes or controls. As a matter of policy, FPL does not voluntarily publish a listing of the audits it performs. Publication of the fact that FPL conducted a particular audit may only serve to provoke unwarranted curiosity or suspicion, on the part of both the vendor being audited and such vendors' competitors or investors, negatively affecting business relationships. As Mr. Del Cueto testifies, FPL would only communicate to the vendor the fact that such an audit was performed in the event that FPL concluded that it needed to take specific action against the vendor on the basis of the audit. Publication of a series of audit descriptions also is problematic as a general rule from the standpoint of perception or potential misperception that can arise in connection with audits. While utilities and other large companies such as FPL routinely conduct internal audits as a part of ongoing business and corporate governance, the fact that a particular audit was conducted can be misconstrued, intentionally and unintentionally, by others to suggest that the company has or

had issues or concerns on a particular subject. Mr. Del Cueto notes that audit lists frequently are used by plaintiffs' lawyers and others as "shopping lists" for issues to pursue with a company.

confidential treatment of the material in question for an additional period of at least eighteen (18) months. FPL suggests that an appropriate period of additional protection would be three (3) years. Although there is no precise analysis that would lead to a definite point in time beyond

For the reasons set forth above, FPL requests that the Commission grant

which the concerns articulated by Mr. Del Cueto would be eliminated, three (3) years represent a

reasonable time period for purposes of meeting such concerns in the near term. Should FPL feel

the need to extend the protection thereafter, it may do so by petitioning this Commission.

10. Upon a finding by the Commission that the material in Exhibit A for which FPL

seeks an extension of confidential treatment is proprietary confidential business information,

pursuant to section 366.093(4) such materials should not be declassified for an additional period of

at least eighteen (18) months or such and should be returned to FPL as soon as the information is no

longer necessary for the Commission to conduct its business.

9.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the

supporting materials and affidavits included herewith or incorporated herein by reference,

Florida Power & Light Company respectfully requests that its Revised First Request for

Extension of Confidential Classification be granted.

Respectfully submitted,

R. Wade Litchfield /

Florida Authorized House Counsel

Attorney for Florida Power & Light Company

700 Universe Boulevard

Juno Beach, Florida 33408-0420

(561) 691-7101

CERTIFICATE OF SERVICE

I, THE UNDERSIGNED COUNSEL, HEREBY CERTIFY that a copy of Florida Power & Light Company's Revised First Request for Extension of Confidential Classification of Materials Provided in the Fuel Cost Recovery Audit No. 99-033-4-1, has been served via first class mail, postage prepaid to the parties listed below, this 16th day of January, 2003:

Wm. Cochran Keating, IV, Esq. Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 Robert Vandiver, Esq. Jack Shreve, Esq. Office of Public Counsel 111 West Madison Street Room 812 Tallahassee, Florida 32399

John W. McWhirter, Jr., Esq. McWhirter, Reeves, McGlothlin, Davidson, et al. Attorneys for FIPUG P.O. Box 3350 Tampa, Florida 33602 Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue
Suite 800
Tallahassee, FL 32301-7740

Mr. George Bachman Florida Public Utilities Co. P.O. Box 3395 West Palm Beach, Florida 33402 Ms. Angela Llewellyn Regulatory Specialist Regulatory & Business Specialist Tampa Electric Co. P.O. Box 111 Tampa, Florida 33601

Susan D. Ritenour Richard McMillan Gulf Power Company One Energy Place Pensacola, FL 32520-0780

R Wade Litchfield

EXHIBIT C

FLORIDA

COMPANY:

Florida Power & Light Company List of Confidential Workpapers

TITLE:

AUDIT:

Fuel Cost Recovery Clause

DATE:

January 16, 2003 99-033-4-1

AUDIT CONTROL NO:

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	STATUTE 366.093(3) Subsection:	AFFIANT
9	List of Internal Audits	3	Y	All 3 pages	(b)	R. Del Cueto
43-2	Computation of Average Unit Cost	25	N			
43-2/1	Language Analysis	4	N			
43-3	Sample of Fuel Accounts	4	N			
43-3/1	Sample of Fuel Accounts	2	N			
43-3/1-1	Temporary Definition	1	N			
43-3/1-2	Language Analysis	6	N			
45	Dismantlement & Decommission	1	N			
45-1	Allocation of DOE's D&D Payment	1	N			
45-1/1	Special Assessment Invoice for Dismantlement & Decommission Fund	3	N			
45-1/1-1	Invoice #990015	3	N			
45-1/1-2	Consumer Price Indexes Home Page Sample Item 36	1	N			
45-1/1-3	Special Payment Request	1	N			

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIANT
46	Inventory Adjustments	4	N			
46-1	SJRPP Reconciliation of Plant Survey to Accounting	2	N			
46-1/1	SJRPP Semi-Annual Coal Inventory Reconciliation in Tonnage	2	N			
46-1/2	SJRPP Coal Survey Adjustments	2	N			
46-2	Wholesale Fuel Adjustment Clause	1	N			
46-2/1	Plant Scherer FPL Stockpile	1	N			
46-2/1-1	Allocation of Variance	2	N			
46-2/1-2	Allocation of Variance	2	N			
46-2/1-3	Allocation of Variance	2	N			

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extension of corclassification of materials granted by Order No. PSC-01-0708-CFO-)))	DOCKET NO. 030001-EI FILED: January 16, 2003	
STATE OF FLORIDA)	AFFIDAVIT	Г OF RICK DEL CUETO	
MIAMI-DADE COUNTY)	AFFIDATII	OF RICK DEL CUETO	

BEFORE ME, the undersigned authority, personally appeared Rick Del Cueto who, being first duly sworn, deposes and says:

- 1. My name is Rick Del Cueto. I am currently employed by Florida Power & Light Company ("FPL") as Manager, Internal Auditing. I have personal knowledge of the matters stated in this affidavit.
- 2. With respect to Exhibit C, I have reviewed the documents and information for which I am listed as Affiant and which are included in Exhibit A to FPL's First Request for Extension of Confidential Classification of Materials Provided in the Fuel Cost Recovery Audit No. 99-033-4-1. Such documents or materials that I have reviewed and which are asserted by FPL to be proprietary confidential business information, as noted on Exhibit C, contain a list of internal audits conducted over a particular time period. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials. The materials in question continue to be competitively sensitive inasmuch as they identify specific areas of inquiry within the Company, the disclosure of which could cause competitive harm to FPL.
- 3. In some cases, the audits are conducted on FPL's contracts and relationships with specific vendors. In other cases, the audits are conducted on internal processes or controls. As a matter of policy, FPL does not voluntarily publish a listing of the audits it performs. Publication of the fact that FPL conducted a particular audit may only serve to provoke unwarranted curiosity or suspicion, on the part of both the vendor being audited and such vendors' competitors or

Affidavit of Rick Del Cueto Request for Confidential Classification Docket No. 990001-EI/Fuel Clause Audit No. 99-033-4-1 Page 2 of 2

investors, negatively affect business relationships. Typically FPL would only communicate to the vendor the fact that such an audit was performed in the event that FPL concluded that it needed to take specific action against the vendor on the basis of the audit. Publication of a series of audit descriptions also is problematic as a general rule from the standpoint of perception or, more accurately stated, misperception that can arise in connection with audits. While utilities and other large companies such as FPL routinely conduct internal audits as a part of ongoing business and corporate governance, the fact that a particular audit was conducted can be misconstrued, intentionally and unintentionally, by others to suggest that the company has or had issues or concerns on a particular subject. For example, audit lists frequently are used by plaintiffs' lawyers and others as "shopping lists" for issues to pursue with a company.

- 4. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for an additional period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.
 - 5. Affiant says nothing further.

Rick Del Cueto

SWORN TO AND SUBSCRIBED before me this /4 day of January 2003, by Rick Del Cueto, who is personally known to me or who has produced (type of identification) as identification and who did take an oath.

Notary Public, State of Florida

My Commission Expires:

