



MESSER CAPARELLO & SELF, P.A.

Attorneys At Law  
www.lawfla.com

**REDACTED**

January 7, 2008

**BY HAND DELIVERY**

Ms. Ann Cole, Director  
Commission Clerk and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
08 JAN - 7 PM 2:30  
COMMISSION  
CLERK

Re: Docket No. 070304-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company is an original and 15 copies of Florida Public Utilities Company's Request for Confidential Classification of Audit Workpapers in the above referenced docket.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

Norman H. Horton, Jr.

DOCUMENT NUMBER-DATE  
00147 JAN-7 08  
FPSC-COMMISSION CLERK

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OPC \_\_\_\_\_ Enclosure

cc: Ms. Cheryl M. Martin  
Parties of Record

RCA \_\_\_\_\_

SCR \_\_\_\_\_

SGA \_\_\_\_\_

SEC \_\_\_\_\_

OTH 1 copy read \_\_\_\_\_

**REDACTED**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Rate Increase by Florida )  
Public Utilities Company )  
\_\_\_\_\_ )

Docket No. 070304-EI  
Date Filed: January 7, 2008

**FLORIDA PUBLIC UTILITIES COMPANY'S REQUEST  
FOR CONFIDENTIAL CLASSIFICATION OF AUDIT WORKPAPERS**

Florida Public Utilities Company ("FPUC"), pursuant to section 366.093, Florida Statutes, and Rule 25-22.006(3)(a)2. and (4), Florida Administrative Code, submits this Request for Confidential Classification of the documents described below which were provided to the Florida Public Service Commission Staff in connection with the staff audit of FPU's Petition for Rate Relief and identified as Audit Control No. 07-262-4-1. In support of this Request for Confidential Classification, FPU states as follows:

1. On December 17, 2007, FPUC was notified by Staff that the field work associated with the audit performed by Staff in connection with the pending Petition for Rate Relief was complete. During the course of this audit, Staff was provided work papers and documents containing information which FPU considers to be "proprietary confidential business information" under Section 366.093(3), Florida Statutes. These workpapers and documents were incorporated with the audit workpapers filed with the Commission and treated as temporarily confidential and proprietary pursuant to the rules of the Commission. Since these documents contain information which FPUC treats as and considers to be proprietary and confidential and thus should not be publicly disclosed, FPUC requests that the Commission grant confidential treatment to these documents.

DOCUMENT NUMBER-DATE

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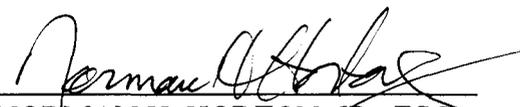
2. A list of the audit workpapers for which FPUC requests confidential treatment is attached hereto as Exhibit "A."

3. Accompanying this request as Attachment "B" are redacted copies of the identified documents. Under separate cover, FPUC is providing a copy of the unedited documents with the confidential information highlighted pursuant to the requirements of the Commission.

4. FPUC requests that the Commission grant this request for confidential treatment for the specified information and that the material be treated as confidential pursuant to section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

Dated this 7<sup>th</sup> day of January, 2008.

MESSER, CAPARELLO & SELF, P.A.  
2618 Centennial Place  
Post Office Box 15579  
Tallahassee, FL 32308  
(850) 222-0720

  
NORMAN H. HORTON, JR., ESQ.

Attorneys for Florida Public Utilities Company

EXHIBIT "A"

Page 2, handwritten lines 1 and 2.

Information on these lines were excerpted from minutes of a Board of Directors Meeting and relate to possible business decisions of the Company. Disclosure of such information would impair the ongoing corporate efforts of the Company could harm the customers and investors in the Company and is exempt from disclosure pursuant to Section 366.093(3)(e).

Page 3, handwritten lines 1 through 16.

Information on these lines were also taken from minutes of a Board of Directors meeting and contain a discussion of personnel activities not related to compensation, duties, qualifications or responsibilities as well as a report from the internal auditor. The matters discussed are of an ongoing nature and disclosure would impair the company's efforts and harm the Company and its customers and is exempt pursuant to Section 366.093(3)(f).

Document 9-2, pages 1-3, all lines.

This document is titled "Internal Audits" and consists of handwritten notes regarding internal activities, controls and recommendations. Such reports and notes are not subject to disclosure and disclosure would harm the efforts of the Company to identify and improve various areas of its operations and is exempt from disclosure pursuant to Section 366.093(3)(b).

DOCUMENT NUMBER-DATE

00147 JAN-78

REGISTRATION COMMISSION CLERK

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 7<sup>th</sup> day of January, 2008 upon the following:

Martha Brown, Esq.  
Katherine Fleming, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
[keflemin@psc.state.fl.us](mailto:keflemin@psc.state.fl.us)  
[mbrown@psc.state.fl.us](mailto:mbrown@psc.state.fl.us)

Patricia A. Christensen, Esq.  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400  
[CHRISTENSEN.PATTY@leg.state.fl.us](mailto:CHRISTENSEN.PATTY@leg.state.fl.us)

  
NORMAN H. HORTON, JR.

5. Outside directors' annual retainer is established at \$16,000 (\$8,000 in cash and \$8,000 in common shares:

Audit Committee Chairman	\$2,500 annual retainer
Compensation Committee Chairman	\$1,500 annual retainer
Other Committee Chairmen	\$1,000 annual retainer
Committee Member Attendance	\$1,000 per meeting
Board Attendance	\$1,000 per meeting

6. Approved the Automatic Rollover Amendment, which is intended to comply with the requirements of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986.

**March 7, 2006**

1. Issuing an unqualified opinion w/no exceptions as a result of their audit for year ended 12/31/05.
2. A presentation of the Sarbanes-Oxley 404 regulatory update and the company compliance w/SOX 404 accounting standards.
3. Compensation Committee Meeting to update employment agreement.

**April 7, 2006**

1. A dividend of \$1.1875/share and the outstanding 4-3/4% Cumulative Preferred Stock.
2. A dividend of \$0.1033/share on the outstanding common stock payable 4/1/2006.
3. The recommendations of the Compensation Committee involving 2005 incentive compensation for certain officers of the Company, total \$83,929 effective 3/1/2006.
4. Allow the president or any other officer to authorize negotiations w/any underwriter for the a public offering up to \$15,000,000 net proceeds of common stock, \$1.50 Par Value.

**July 24, 2006**

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**August 10, 2006**

The Company management had been asked to analyze equity offering and cash forecasting and that it was in the process so doing. Mr. Bachman explained that

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EXHIBIT "B"

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forecasting was distinctly linked to environment remediation and that that Company was awaiting guidance from its environmental attorney concerning timing. The company also completed a study of vehicular lease versus purchase and had concluded that purchase had marked economic advantages.

Due to a "non-accelerated filer" in 2006, the internal audit plan had been modified from 800 hours to 750 hours and the focus of the audit has been reallocated.

**August 22, 2006**

To declare a dividend on outstanding common stock \$0.1075 per share.

**November 10, 2006**

1. Dale Bushman, external auditor, presented the quarterly review for period ending 9/2006. The external auditor's recommendations included the thorough examination of the company's receivables and the need to establish a vacation accrual process for recording on a quarterly basis, rather than annually.

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**December 5, 2006**

1. Declared \$0.1075 dividend per share for outstanding common stock.
2. Annual salary range adjustment for 2007 for all employees except officers, shall be 3.5%.
3. Annual merit for 2007 for all eligible non-union employees except officers, shall be 2%.

AUDIT WORKPAPER 9-2 CONSISTING OF 3 PAGES  
IS CONFIDENTIAL

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

**CONFIDENTIAL**

**Public Service Commission**

**ACKNOWLEDGEMENT**

**DATE:** January 7, 2008

**TO:** N. Horton/Messer Law Firm

**FROM:** Ruth Nettles, Office of Commission Clerk

**RE:** Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 070304 or, if filed in an undocketed matter, concerning documents provided to staff in connection with staff Audit Control No. 07-262-4-1, and filed on behalf of Florida Public Utilities, Inc. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

DOCUMENT NUMBER-DATE  
00148 JAN-7 08  
FPSC-COMMISSION CLERK

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850  
An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)