

NANCY B. WHITE
General Attorney

Southern Bell Telephone
and Telegraph Company
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301
(404) 529-5387

ORIGINAL
FILE COPY

June 16, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

920260

RE: Undocketed Matter - FPSC Surveillance Audit

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Notice of Intent to Request Confidential Classification. Please file this document in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me.

Sincerely,

Nancy B. White
Nancy B. White (PW)

Enclosures

cc: A. M. Lombardo
R. G. Beatty
R. D. Lackey

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05668 JUN 16 1995

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: FPSC Surveillance Audit)

) Filed: June 16, 1995
)

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S NOTICE
OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION

COMES NOW, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), and pursuant to Rule 25-22.006, Florida Administrative Code, files its Notice of Intent to Request Confidential Classification.

1. The Staff of the Florida Public Service Commission has issued several data requests to Southern Bell in connection with the Surveillance Audit. Staff requests, among other things, that Southern Bell furnish the following information:

2. Staff Audit Request No. 13 dated June 9, 1995 - Item No. 1 - "Please provide all management letters that were referred to in the internal audits for Florida and Headquarters for the periods 1993 and 1994."

3. Staff Audit Request No. 14 dated June 9, 1995 - "Per conversations with Karol Hoffman, in Audit #W40-16-45-A-SF, a statement is made referring to a second run and errors in the reporting procedure data. Please state whether the statement is referring to service order errors or what and explain this audit criticism with reference to these errors."

4. Staff Audit Request No. 16 dated June 12, 1995 - "Re Internal Audit V40-22-38-A-S 12/94 Purchasing CO Switch Equipment
(a) The audit reveals that over 1.5 million in credits due BST

DOCUMENT NUMBER-DATE

05668 JUN 16 95

FPSC-RECORDS/REPORTING

Florida and Georgia were uncovered, (b) How much in Florida? Were the credits booked in '94? If so, what accounts and in what amounts? Provide copies of journal entries. If not, when will they be booked, into what accounts and amounts?, (c) If not booked in '94, are any of these credit amounts an adjustment to the Surveillance Report year end '94?"

5. Staff Audit Request No. 17 dated June 12, 1995 - "Re: Internal Audit V40-42-10-A-SF 12/94 Development & Distribution of Overheads (a) Provide copy of Classification Letter 10-06 (b) Do audit results mean that overhead rates used in all 1994 were based on data from January to August 1992? (c) Have there been rates calculated for 94 based on 93 data as required in Classification Letter 10-06? (d) If so, supply rates used in 94 and rates calculated on 93 data to apply to 94 (e) Has an analysis been done to determine the impact of using overhead rates based on 92 data as opposed to using overhead rates based on 93 data? If so, provide. If not, explain why not, (f) Please list all overhead rates applied in 94 based on 92 data, (g) Please list, if calculated, all overhead rates that would have been applied in 94 based on 93 data."

6. Staff Audit Request No. 18 dated June 12, 1995 - "Re: V-40-26-45-A-S April 94 Employee Expense Settlements - Please provide Internal Audit Workpapers for the above audit in the Miami office for our review."

7. The information requested includes internal audit information. Such information is specifically considered to be proprietary, confidential business information pursuant to

§ 364.183(3) and (3)(b), Florida Statutes.

8. Consequently, because this information contains proprietary information, Southern Bell is filing this Notice of Intent to Request Confidential Classification, pursuant to Rule 25-22.006(3)(a), Florida Administrative Code, in order to allow the Staff to review this information without delay. Both the original of this notice and the individual requests have been filed with the Division of Records and Reporting, and a copy has been served on the Division requesting the information. The written Staff requests are attached hereto.

Respectfully submitted this 16th day of June, 1995.

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY

Robert G. Beatty (per)

ROBERT G. BEATTY
c/o Nancy Sims
400-150 South Monroe Street
Tallahassee, Florida 32301
(305) 347-5561

Nancy B. White (per)

NANCY B. WHITE
4300 SBC - 675 W. Peachtree St.
Atlanta, Georgia 30375
(404) 529-5387

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patty Klein
UTILITY: SBT
FROM: BOTH YOUNG Chris Dolan
(AUDIT MANAGER) (AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 13 DATE OF REQUEST: 6/9/95
AUDIT PURPOSE: Surveillance
REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 6/15/95
(DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. Please provide all management letters that were referred to us by the Florida Public Service Commission and Headquarters for the periods 1993 and 1994.

TO: AUDIT MANAGER _____ DATE _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY.
(2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
(3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
(4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
White: Utility Complete and Return to Auditor
Pink: FISC Analyst
Gold/Red: Audit File Copy
Canary: Utility Retain

SIGNATURE AND TITLE OF RESPONDENT

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patti Klein
 UTILITY: _____
 FROM: Ruth Young (AUDIT MANAGER) Chris Holman (AUDITOR PREPARED REQUEST)
 REQUEST NUMBER: 14 DATE OF REQUEST: 6/9/95
 AUDIT PURPOSE: Summative
 REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY _____ DATE: 6/20/95

REFERENCE RULE 25-22.006, F.A.C. THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Per conversation with Karel Hoffmann, in Audit #W40-14-45-A-5F, a statement in my report referring to a second, misspelled error in the reporting process date. Please state whether the statement is referring to service order errors or what type of error. This audit criticism with reference to these errors.

TO: AUDIT MANAGER _____ DATE _____

- THE REQUESTED RECORD OR DOCUMENTATION:
- (1) HAS BEEN PROVIDED TODAY.
 - (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
 - (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
 - (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
 Utility: Complete and Return to Auditor
 PSC: To PSC Analyst
 Customer: Audit File Copy
 Company: Utility Retain

 SIGNATURE AND TITLE OF RESPONDENT

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patte Kleen
 UTILITY: BST
 FROM: Paul Young (AUDITOR PREPARING REQUEST)
 REQUEST NUMBER: 16 DATE OF REQUEST: 6/12/95
 AUDIT PURPOSE: Surveillance
 REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 6/28/95 (DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Re. Internal Audit V 40-22-30 A-5 12/94
Purchasing CO Swedish Equip.

- A) The audit reveals that over 1.5 million in credits due BST FL & Georgia was uncovered.
 B) How much in FL? Were these credits booked in '94? If so, what accounts + in what amounts? Provide copies of journal entries. If not when will they be booked, into what acct. & amounts?
 C) If not booked in '94, are any of these credit amounts an adjustment to the surveillance report yr 94?

TO: AUDIT MANAGER _____ DATE _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY.
 (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____ .
 (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING, REFER TO RULE 25-22.006, F.A.C.
 (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
 Utility Complete and Return to Auditor
 File to FSC Analyst
 Goldsmith Audit File Copy
 Copy: Utility Rates

SIGNATURE AND TITLE OF RESPONDENT

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Pete Klein
 UTILITY: B&T
 FROM: Pete Klein
AUDIT MANAGER
 REQUEST NUMBER: 17 Feb. 1992 DATE OF REQUEST: 6/14
(AUDITOR PREPARING REQUEST)
 AUDIT PURPOSE: Final Review
 REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 6/28 87/92
DATE

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Re Internal Audit V40-42-10-A-SF 12/94
Development - this litigation of Overhead
 A) Provide copy of Classification Letter 10-066
 B) Do audit results mean that the overhead rates used for all of 1994 was based on data from January to August 1993?
 C) Have there been rates calculated for 94 based on 93 data as requested in Classification letter 10-067?
 D) Do the supply rates rates made 94 + rates calculated on 93 data to apply to 94?

TO: AUDIT MANAGER _____ DATE _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY.
 (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____ .
 (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
 (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
 When Utility Complete and Return to Auditor
 File to PSC Analyst
 Give to all File Copy
 Convey Utility Retain

 SIGNATURE AND TITLE OF RESPONDENT

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patti Klean
UTILITY: EST
FROM: Patti Klean (AUDIT MANAGER) _____ (AUDITOR PREPARING REQUEST)
REQUEST NUMBER: 17 pg 2 of 2 DATE OF REQUEST: 6/12
AUDIT PURPOSE: Amendments
REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY _____ DATE: 6/27 (DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

- E) Has an analysis been done to determine the impact of using overhead rates based on 92 data. can I proceed to using overhead rates based on 93 data? If so, provide. If not, explain why not?
- F) Please list all overhead rates applied in 94 based on 92 data.
- G) Please list, if calculated, all overhead rates that would have been applied in 94 based on 93 data.

TO: AUDIT MANAGER _____ DATE _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY.
- (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
- (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING, REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
Retain Utility Complete and Return to Auditor
File to FPSC Analyst
Occasional Audit File Copy
Conserve Utility Retain

SIGNATURE AND TITLE OF RESPONDENT _____

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patte Klein
UTILITY: BST
FROM: Paul Young
AUDIT MANAGER

(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 18
AUDIT PURPOSE: Surv.

DATE OF REQUEST: 6/11/95

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY _____
(DATE) 6/27/95

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
- OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Re: V40-26-45-A-5 April 94
Employee Expense Statement

Please provide Internal Audit Workpapers
for the above audit in the manner of
our review.

TO: AUDIT MANAGER _____ DATE _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY.
- (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
- (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING, REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
Utility: Utility Company and Return to Auditor
File to PSC Analyst
Delivered: Audit File Copy
Canary: Utility Ketch

SIGNATURE AND TITLE OF RESPONDENT