

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Informal Over Earnings)
Investigation of PEOPLES WATER)
SERVICE COMPANY OF FLORIDA, INC.)
for its water system in Escambia)
County, Florida.)

Undocketed

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FILE COPY

960026-WU

AMENDMENT TO REQUEST FOR CONFIDENTIAL TREATMENT

Peoples Water Service Company of Florida, Inc. (hereinafter "Utility" or "Peoples"), by and through its undersigned attorneys and pursuant to Section 367.156, Florida Statutes, and Commission Rule 25-22.006, Fla. Admin. Code, hereby files this Request For Confidential Treatment, and in support thereof would state and allege as follows:

1. In response to several audit inquiries, Peoples has provided certain employee payroll tax information, parent company information in order to assist the Commission Staff in its inquiry into the Utility's current earnings level. The documents provided contain several categories of proprietary confidential business information and the Utility believes the disclosure of this information would cause harm to the Utility's and the parent company's business operations, to the individual employees, and, in turn, to the ratepayers of the Utility. The Utility also believes that such disclosure would be an invasion of the individual employees' privacy.

2. Attached hereto as Exhibit A is a listing showing the documents requested for confidential treatment, the audit inquiry under which those documents were obtained, the number of pages, a

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Merchant

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BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

01872 FEB 16 88

ROSE, SUNDSTROM & BENTLEY

2541 BLAIRSTONE PINES DRIVE, TALLAHASSEE, FLORIDA 32301

FPSC-RECORDS/REPORTING

brief description of the documents, and the reference to the PSC audit workpapers in which those documents are contained.

3. The Utility has previously provided the Commission with two edited copies of the subject documents with the confidential information deleted, and with the sealed package containing copies of the documents which is confidential and proprietary highlighted.

4. The final audit report and supporting workpapers contain proprietary confidential business information. The specific categories of such information are outlined below:

a) In response to PSC Audit Request No. TAX-1, TAX-2 and TAX-3, the Utility has provided information concerning the consolidated federal income tax return for the parent company which includes not only tax data for regulated Florida operations, but also tax information for the unregulated parent company and the utility operations in Louisiana unregulated by the Florida Public Service Commission.

b) In response to telephonic requests from the PSC Auditor, on July 19, 24, 28, and August 7, and in response to Audit Request No. EXP-2, 3, 4, 5, and 6, and EXT-1, and CSRE-1, the Utility provided information concerning the financial operations data related to the parent company, much of which includes data and information unrelated to the Florida operations directly regulated by the Florida Public Service Commission.

c) In response to telephonic requests from the PSC Auditor on July 19, 1995, the Utility provided the original of its General Ledger for the year ended August 31, 1994 and the four months ended December 31, 1994. These documents include substantial information for the unregulated parent company and subsidiaries not subject to the PSC's jurisdiction. Because the audit staff has the originals of these documents, the highlighted versions required by Rule 25-22.006, F.A.C., are not attached.

d) In response to Audit Request No. EXP-1, EXP-2, and EXP-3, the Utility provided information concerning the salaries and wages of individuals employed by both the Utility's Florida operations and in the parent company offices. This included specifics about name, salary and other information concerning deductions and payroll and personnel records for all the employees, both of the Utility and its parent company. While the Commission certainly has a right and obligation to review information in the Utility records which result in charges to the regulated Utility, Peoples is concerned that the data supplied includes information that is highly personal, not only to all the individual employees of Peoples, but also may tend to place the Utility in a competitive disadvantage for securing labor, as between current employees and potential future employees, and competitors for those employees. The Utility has already determined that its

payroll levels are significantly below those for like-skilled persons with similar responsibilities in the market in which it operates and as such, public disclosure of this information may cause damage, not only to the Utility, but to the general body of rate payers.

Internal Auditing Controls and Report of Auditors

5. The information contained within the audited financial statements and specifically located at Workpaper Reference 60-100 and 60-200 is derived from the audit information prepared by the utility auditors which is confidential information pursuant to the provisions of Section 367.156(3)(b), Florida Statutes. The Peoples Water Service Company is a closely held business enterprise, which includes substantial unregulated operations and as such, all audit workpapers are effectively reports of internal audit workpapers as opposed to audit workpapers and reports prepared for outside sources. Therefore, this information is proprietary business information pursuant to sec. 307.156(3)(b), Fla. Stat. This information is discussed in Paragraph 4(b) above.

Information Related to Competitive Interest

6. All of the information outlined on Exhibit A deals in significant part with the business interest of the unregulated parent company and the regulated utility system in another state which are consolidated under the name of The Peoples Water Service Company. All of the workpapers outlined in Exhibit A hereto, contain substantial business information of these entities which the Utility and its parent company believe would impair the efforts

of the affiliates of the Utility and the Utility itself to contract for goods and service on favorable terms and which would impair the competitive businesses of those entities. This information is therefore proprietary confidential business information pursuant to the provisions of Section 367.156(3)(d) and (e), Florida Statutes.

**Employee Personnel Information Unrelated to
Compensation, Duties, Qualifications and Responsibilities**

7. The information obtained and contained in the following audit workpapers is employee personnel information unrelated to compensation, duties, qualifications and responsibilities which is proprietary confidential business information pursuant to Section 367.156(f), Florida Statutes:

43-675.8/1 and 2, 44-100C, 44-1--E, 44-100P, 44-100T,
44-100H, 44-100I

48-201, 48-202, 48-301, 48-302

49-220, 49-230, 49-250, 49-320, 49-350, 49-420, 49-430,
49-450

53-121

Both the Utility and especially its parent and affiliated companies are in competitive markets for employees, management and labor, and as such, for the reasons outlined herein and in Paragraph 7 hereof, this information is confidential proprietary business information. While the compensation paid is not confidential or proprietary to the extent it affects Florida's regulated operations, all other information including employee names and benefits are confidential and proprietary and are treated as such by these entities.

General Proprietary Confidential Business Information

8. The provisions of Section 367.156(3) recognizes that there are areas of proprietary confidential business information other than those specifically enumerated in the subparagraphs of statutory section 307.156(3)(a) - (f). All of the information discussed in Subparagraph (4)(a), and specifically the Federal Income Tax return information contained in Workpapers 54-20, 54-154-290, 54-291, 54-292, 54-293, represent just such proprietary confidential business information that includes not only the regulated enterprise information, but information related to parent and affiliate operations not regulated by the PSC.

Material obtained during an inquiry and in accordance with the provisions of Rule 25-22.006(1)(c) and 25-22.006(2)

9. This matter is still an inquiry and all of the information obtained from the Utility should be treated by the Commission and its Staff as exempt from public access requirements of sec. 119.07(1), Fla. Stat. Until such time as the Commission Staff decides that a formal rate inquiry is appropriate, this material must be provided with confidential status in any case.

10. All of the information outlined as confidential and proprietary business information, which is owned and controlled by the Utility, its parent and affiliates is intended to be and is treated by the Utility and those related entities as private, in that the disclosure of the information would cause harm to the company's business operations and has not been disclosed unless disclosed pursuant to a statutory provision and order of a court or administrative body.

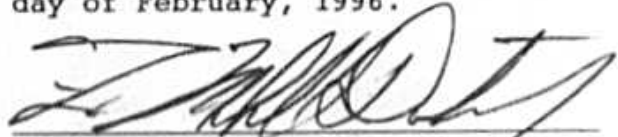
Because The Peoples Water Service Company is a private business, and its Towson, Maryland, operations are unregulated, except to the extent that they involve allocations to the regulated enterprise, all of this information has been and continues to be treated as proprietary confidential business information.

11. In accordance with Rule 25-22.006, Florida Administrative Code, the information for which confidential treatment is sought hereunder is intended to be and is treated by the company as private and has not been disclosed on a non-confidential basis by the Company.

12. The information for which confidential treatment is requested herein does not lend itself to a line-by-line justification or identification as requested in the Staff's letter of February 1, 1996. Because the documents which constitute the confidential and proprietary business information are generally covered in total by the justifications, as outlined above, and in Exhibit "A" hereto, the highlighting and the redacted and unredacted copies which were submitted with the original filing fully reflect those components of those documents which the Utility contends are confidential and proprietary. The Utility considers this method of identification as a field-by-field identification of the information which is considered proprietary and confidential business information. To the extent that the Staff or the Commission deems that a waiver of the provisions of Rule 25-22.006(4)(a) or (c) is necessary, please consider this to be such a request.

WHEREFORE, Peoples Water Service Company of Florida, Inc. hereby requests, under the provisions of Section 367.156, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, that the Commission grant confidential treatment to the four categories of documents outlined above in recognition that such information represents proprietary confidential business information, the disclosure of which will be detrimental, not only to the unregulated entities and the employees of the Utility, but to the general body of rate payers as well.

Respectfully submitted this 16th
day of February, 1996.



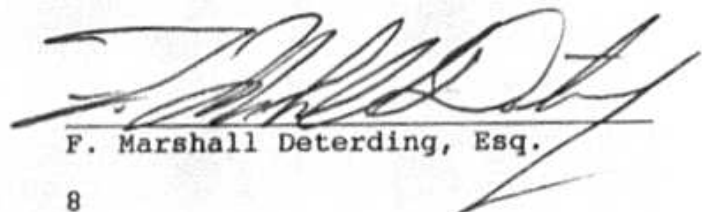
F. Marshall Deterding, Esq.
ROSE, SUNDSTROM & BENTLEY
2548 Blairstone Pines Drive
Tallahassee, FL 32301
(904) 877-6555

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by regular U.S. Mail or hand-delivery, as indicated below, to the following individuals on this 16th day of February, 1996.

Mary Ann Helton, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Hand-delivery



F. Marshall Deterding, Esq.

THE PEOPLES WATER SERVICE COMPANY
Marrington, Florida, Plant

SCHEDULE OF CONFIDENTIAL DOCUMENTS
1994 Florida PSC Audit

ITEM	TITLE	DATE(S)	PAGES	CATEGORY	PSC REFERENCE	
					VOL.	WP NO.
1	Tax-3	8/94	8	Income Tax Deposits	11	54-20
2	Income Tax Return	8/94	3	Federal Income Tax Return	11	54-100
3	Income Tax Returns	8/91	9	U.S. & Florida Inc. Tax Returns	11	54-290
4	Income Tax Returns	8/92	10	U.S. & Florida Inc. Tax Returns	11	54-291
5	Income Tax Returns	8/93	10	U.S. & Florida Inc. Tax Returns	11	54-292
6	Income Tax Returns	8/94	9	U.S. & Florida Inc. Tax Returns	11	54-293
7	Tax 2 - Other 1	1994	20	Payroll Taxes	11	53-121
8	Tax-3	1994	3	Income Statement	11	54-10
9	Exp-1	1994	11	Pension & Benefits	10	48-201, 48-202
10	Exp-1	1993	9	Pension & Benefits	10	48-301, 48-302
11	Exp 3 - Org 1	1992-93	12	Wages and Payroll Tax Returns	10	49-220, 49-230, 49-250
12	Exp 3 - Org 1	1993	11	Wages and Payroll Tax Returns	10	49-320, 49-350
13	Exp 3 - Org 1	1994	12	Wages and Payroll Tax Returns	10	49-420, 49-430, 49-450
14	Exp 2 - Tow 1	1994	1	Towson Payroll	9	44-100C
15	Exp 4 - Tow 2	1994	4	Towson Lease	9	44-100E
16	Exp 4 - Tow 2-2	1994	12	Towson Audit & Accounting Fees	9	44-100P
17	Exp 5 - Tow 3	1994	15	Towson 401(k) Plan Expense	9	44-100T
18	Exp 5 - Tow 3	1994	9	Towson Insurance	9	44-100H
19	Exp 6 - Tow 4	1994	8	Towson Life Insurance	9	44-100I
20	Overhead	8/94 & 12/94	5	Towson Overhead Allocation	9	43-675.8 / 1 & 2
21	CSRE-1	1985-94	2	Common Stock Redemptions	3	10-360
22	CSRE-1	1985-94	3	Common Stock Redemptions	7	32-211, 32-212, 32-213
23	CSRE-1	1985-94	3	Common Stock Redemptions	11	60-11
24	Audited Statements	8/86	9	Audited Financial Statements	11	60-200
25	Audited Statements	8/94	10	Audited Financial Statements	11	60-100
26	Trial Balance	12/92, 12/93, 12/94	12	General Ledger Trial Balances	4	12-120
27	Trial Balance	8/92, 8/93, 8/94	12	General Ledger Trial Balances	4	12-111B