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LAW OFFICES
MESSER, CAPARELLO & SELF
A PROFESSIONAL ASSOCIATION

215 SOUTH MONROE STREET, SUITE 701
POST OFFICE BOX 1876
TALLAHASSEE, FLORIDA 32302-1876
TELEPHONE: (850) 222-0720
TELECOPIER: (850) 224-4359
INTERNET: www.lawfla.com

ORIGINAL

July 3, 2000

RECEIVED-FPSC
00 JUL -3 PM 4: 52
RECORDS AND
REPORTING

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

000814-EI

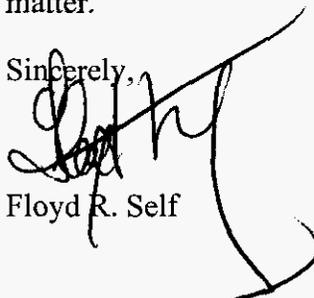
Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and 15 copies of Florida Public Utilities Company's Request for Confidential Classification and an envelope containing the confidential documents.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,



Floyd R. Self

FRS:amb
Enclosures
cc: Mr. George Bachman

07437-00

07438-00

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- SEC _____
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RECEIVED & FILED

¹⁴⁶
FPSC-BUREAU OF RECORDS

Request
DOCUMENT NUMBER-DATE
08119 JUL-38
FPSC-RECORDS/REPORTING

Confidential
DOCUMENT NUMBER-DATE
08120 JUL-38
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In Re: Request for Confidential)
Classification, Florida Public Utilities)
Company 1999 Earnings Review)
_____)

Docket No. 000814-EI
Filed: July 3, 2000

**FLORIDA PUBLIC UTILITIES COMPANY'S REQUEST
FOR CONFIDENTIAL CLASSIFICATION**

Florida Public Utilities Company ("FPU"), pursuant to section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, submits this Request for Confidential Classification of the documents and information described below provided to the Florida Public Service Commission ("Commission") Staff in connection with the Staff audit of FPU's 1999 earnings (Audit control Nos. 00-054-4-1 and 00-054-4-2). In support of this Request for Confidential Classification, FPU states as follows:

1. In connection with the Commission's audit of 1999 earnings, Staff requested certain workpapers from FPU's outside auditors Deloitte & Touche. These materials were indicated to the Staff at the time of their delivery to be confidential, and they included an affidavit from Deloitte & Touche in support of FPU's claim for confidential treatment. Accordingly, they were granted temporary confidential treatment during the pendency of the audit.

2. Through the audit exit conference letter dated June 12, 2000, FPU again reaffirmed the confidential status of these materials. See Exhibit A.

3. FPU requests that the above-described information continue to be classified as "proprietary confidential business information" within the meaning of Section 366.093(3), Florida Statutes. The information and documents at issue are intended to be and are treated by FPU and Deloitte and Touche as proprietary and confidential. These workpapers constitute internal auditor

DOCUMENT NUMBER-DATE

08119 JUL-38

FPSC-RECORDS/REPORTING

controls and reports of internal audits as well as information regarding bids or other contractual data and information relating to competitive interests. Attached as Exhibit "A" is a detailed explanation of the information and documents for which confidential treatment are requested and justification for the requested confidential treatment of the highlighted portions of the enclosed documents.

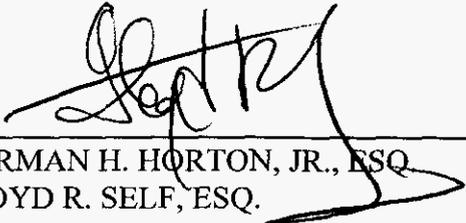
4. In the attached envelope labeled Exhibit "B," there is an unedited version of the above-described documents with the information asserted to be confidential highlighted. Also attached hereto as Exhibit "C" is an edited version of the documents on which the information asserted to be confidential has been blocked out.

5. FPU requests that the information for which it seeks confidential classification remain confidential for a period of at least 18 months as provided in Section 366.093(4), Florida Statutes. The time period requested is necessary given the competitively sensitive nature of the information.

WHEREFORE, for the foregoing reasons, FPU respectfully requests that its Request for Confidential Classification be granted.

Dated this 3rd day of July, 2000.

MESSER, CAPARELLO & SELF, P.A.
215 S. Monroe Street, Suite 701
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720



NORMAN H. HORTON, JR., ESQ.
FLOYD R. SELF, ESQ.

Attorneys for Florida Public Utilities Company

EXHIBIT "A"

Justification for Confidentiality Data Obtained During a PSC Audit of Florida Public Utilities Company's 1999 Earnings./ audit Control Nos. 00-054-4-1 and 00-054-4-2:

<u>SCHEDULES</u>	<u>PAGES</u>	<u>LINES</u>	<u>COLUMNS</u>	<u>RATIONALE</u>
Auditors Work	9, 1 of 6	All	N/A	A
Papers	9, 2 of 6	All	N/A	A
	9, 3 of 6	All	N/A	A
	9, 4 of 6	All	N/A	A
	9, 5 of 6	All	N/A	A
	9, 6 of 6	All	N/A	A
	9-2 p 4	All	N/A	A
	9-2 p 5	All	N/A	B
	9-2 p 6	All	N/A	B
	9-2 p 7	All	N/A	B
	9-2 p 8	All	N/A	B
	9-2 p 9	All	N/A	B
	9-2 p 10	All	N/A	B
	9-2 p 11	All	N/A	C
	9-2 p 12	All	N/A	C
	9-2 p 13	All	N/A	C
	9-2 p 14	All	N/A	C
	9-2 p 15	All	All	D
	9-2 p 16	All	All	D
	9-2 p 17	All	All	E
	9-2 p 18	All	All	E

RATIONAL

A. These papers set forth the Deloitte & Touche testing procedures and analysis for such categories as cash, receivables, prepaid expenses, PGA over/under recoveries, liabilities, revenues, and summaries of corporate minutes. This information describes either Deloitte & Touche's internal testimony procedures and analyses or the actual results of such procedures and analyses. This information pertains to the internal workings and operations of the company, information not publically disclosed or otherwise made available to the public. As such, this information relates to the competitive interest of FPU and Deloitte & Touche, the disclosure of which would impair the competitive business of each.

B. This is the engagement letter from FPU to Deloitte & Touche regarding the representations and disclosures made to Deloitte & Touche during the audit. This detailed information regarding the representations and disclosures made to Deloitte & Touche involves proprietary, internal company information regarding finances and operations affecting the competitive interest of the company, the disclosure of which impair the competitive business interest of FPU by

C. This document describes the internal controls related to the FPU payroll application system. As such, this information constitutes internal auditing controls and reports of internal auditors.

D. These documents are the detail testing of depreciation accounts performed by Deloitte & Touche for the Marianna and Fernandina electric properties. These reflect internal general ledger account information and Deloitte & Touche analysis and findings. These documents constitute internal audit information and competitive sensitive information.

E. These documents contain expense testing data and calculations performed by Deloitte & Touche. These documents contain the names of FPU suppliers, sales amounts, invoice dates, and check numbers. The identify of FPU suppliers, and the related information, has consistently been held by this Commission to be confidential, since the release of such information would impair FPU's ability to contract for goods and services on favorable terms. Releasing such information could provide competing suppliers with an advantage over FPU. Suppliers may be less likely to make price concessions. Release of such information has the potential to lead to inflated price fixing by suppliers. Potentially, release of the aforementioned information may result in higher costs which would have to be passed along to FPU's customers.

EXHIBIT "C"

State of Florida

Company Copy

Commissioners:
Joe Garcia, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
Lila Jaber
E. LEON JACOBS, JR.



3625 NW 82nd AVENUE
SUITE 400
MIAMI, FLORIDA 33166-7602

Public Service Commission

June 12, 2000

Ms. Cheryl Martin
Florida Public Utilities Company
401 S. Dixie Highway
West Palm Beach, FL 33401

Dear Ms. Martin:

Re: Surveillance Report Audit
Fernandina Beach Electric
AFA No. 00-054-4-2

We have completed our field work in the above referenced audit. Included with this letter is a copy of the audit workpapers which the Commission is maintaining in a Temporary Confidential Status and a listing of these workpapers. Please sign and date a copy of this letter indicating that you have received these copies. The utility must file a Request for Confidential Classification according to Rule 25-22.006, F.A.C. in order to maintain this confidentiality. This request must be filed with the Commission within twenty-one days from today or these workpapers will become public documents.

Sincerely,

Ruth K. Young
Audit Manger

Enclosure
cc: Denise Vandiver
Kathy Welch

CP Martin 6/13/00
Received by Company

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
F. LEON JACOBS, JR.
LILA A. JABER



TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

May 16, 2000

Ms. Gail Ray
Deloitte & Touche LLP
Suite 900
1645 Palm Beach Lakes Boulevard
West Palm Beach, FL 33401

Dear Ms. Ray:

In your letter dated May 12, 2000, you indicated Deloitte & Touche's desire to seek confidential treatment according to the Public Service Commission's (Commission) rules. According to Rule 25-22.006, Florida Administrative Code, "temporary" confidential treatment during the pendency of the Commission's audit of Florida Public Utilities Company will be granted upon request. This can be accomplished by checking the appropriate box on the Commission's Document Request form. After the Commission's audit, twenty one days from the exit conference, the classification of all Commission staff's work papers is subject to the company's filing a request for confidential classification pursuant to Rule 25-22.006(4), Florida Administrative Code. I also acknowledge the issues addressed in your letter regarding the nature of the Deloitte & Touche LLP audit.

Please let me know by Thursday, May 18, 2000, if there will be any problems regarding access to Deloitte & Touche work papers.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Devlin".

Tim Devlin, C.P.A.
Director

TD:dvn

cc: Ruth Young, Division of Auditing and Financial Analysis

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0865

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PSC Website: www.scri.nel/psc

Internet E-mail: contact@psc.state.fl.us

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

AFFIDAVIT OF Armando Pimentel

Before me, the undersigned authority personally appeared, who being first duly sworn by me testified and said:

1. My name is Armando Pimentel, I am currently employed by Deloitte & Touche LLP as a Partner. My business address is Deloitte & Touche LLP, Suite 900, 1645 Palm Beach Lakes Blvd., West Palm Beach, Florida 33401-2221. I have personal knowledge of the matters stated in the affidavit.

2. This affidavit is in support of Florida Public Utilities' ("FPU") "Request for Confidential Classification" of certain audit workpapers in Audit Control No. ⁹⁰⁻⁰⁵⁴⁻⁴⁻¹ ~~90-054-4-2~~, Review of 1999 earnings.

3. The information for which FPU seeks confidential treatment consists of workpapers of FPU's outside, independent auditors Deloitte & Touche. Deloitte & Touche asserts that the information consists of confidential and proprietary business information of FPU and Deloitte & Touche within the meaning of Section 366.093(3).

4. All matters identified as exempt from disclosure pursuant to 366.093(3)(e) Florida Statutes, consist of audit workpapers containing information relating to competitive interests of FPU and Deloitte & Touche, the disclosure of which would impair the competitive business of such entities.

5. The confidentiality of the information has been maintained by Deloitte & Touche.

6. The obtained materials should remain confidential for a period of not less than 18 months and should be returned to FPU as soon as the information is no longer necessary for the Commission to conduct its business so that FPU can maintain the confidential nature of these documents.

AFFIANT SAYS NOTHING FURTHER.



Armando Pimentel

SWORN TO AND SUBSCRIBED before me this 24th day of May, 2000, by Armando Pimentel, who is personally known to me or who has produced DL (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:



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

TO: Cheryl Martin
UTILITY: _____
FROM: _____
(AUDIT MANAGER) (AUDITOR PREPARING REQUEST)

REQUEST NUMBER: _____
AUDIT PURPOSE: To Sewallhome
DATE OF REQUEST: 5/23/00

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: _____
(DATE) 5/25/00

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

ITEM DESCRIPTION:

DIT
Provide copies of the workpapers requested from DOT by Gayle Faye

TO: AUDIT MANAGER Ruth Young DATE: 5/30/00

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEM(S) ALL IS(ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 369.183, 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)

Cheryl M Martin
(SIGNATURE AND TITLE OF RESPONDENT)

DISTRIBUTION:
White: Utility Complete and Return to Auditor
Pink: Audit File Copy
Canary: Utility Retain

COMPANY: FPUC - ELECTRIC
TITLE: FERNANDINA
PERIOD: LIST OF CONFIDENTIAL
DATE: WORKPAPERS
YEAR END 12/31/99
JUNE 7, 2000

WP NO.	DESCRIPTION	NO. OF PAGES
9	Staff Notes from D&T workpapers	6
9-2	Copies of pages from D&T workpapers	18

END

WORKING PAPER STANDARD IN BOX

(F)

FOLDER	BINDER #	PAGE #	Diskette Index	
			Disk #	File Name
<p><i>FPUC - Fernandez</i></p> <p><i>Electric - 1999</i></p>				
<p>CURRENT FILES</p> <p>ORIGINAL WORK PAPERS - FILE MAINTENANCE IN DIVISION AUDIT FINANCE CONTROL FILE</p>				
<p>PLANNING AND CONTROL</p> <p>1 AUDIT REPORT</p> <p>2 COMPANY FILING</p> <p>3 MANAGEMENT REPRESENTATION LETTER</p> <p>4 AUDIT SERVICE REQUEST</p> <p>5 PLANNING</p> <p>6 AUDIT PROGRAM</p> <p>7 ANALYTICAL REVIEW</p> <p>8 REVIEW NOTES BOARD OF DIRECTORS/ LIST OF DIRECTORS AND AFFILIATES</p> <p>9 REVIEW NOTES EXTERNAL/INTERNAL/PPAC AUDIT</p> <p>10 DOCUMENT REQUESTS AND CONTROL LOG</p> <p>11 CONFIDENTIAL DOCUMENTS CONTROL LOG</p> <p>12 TRIAL BALANCE</p> <p>13 ADJUSTMENT / RECLASSIFICATION SUMMARY</p> <p>14 SUPERVISORS REVIEW OF AUDIT</p>				
<p>RATE BASE</p> <p>15 RATE BASE</p> <p>16 UTILITY PLANT</p> <p>17 LAND</p> <p>18 PLANT HELD FOR FUTURE USE</p> <p>19 CONSTRUCTION WORK IN PROCESS</p> <p>20 CONTRIBUTIONS IN AID OF CONSTRUCTION</p> <p>21</p> <p>22 ACCUMULATED DEPRECIATION</p> <p>23 ACCUMULATED AMORTIZATION OF CIAC</p> <p>24 WORKING CAPITAL</p> <p>25 <i>Storm Damage Reserve</i></p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p>				
			<p>COST OF CAPITAL</p> <p>31 COST OF CAPITAL</p> <p>32 EQUITY</p> <p>33 LONG TERM DEBT</p> <p>34 SHORT TERM DEBT</p> <p>35 CUSTOMER DEPOSITS</p> <p>36 DEFERRED TAXES</p> <p>37 TAX CREDITS</p> <p>38</p> <p>39</p>	
			<p>NET OPERATING INCOME</p> <p>40 NET OPERATING INCOME</p> <p>41 OPERATING REVENUES</p> <p>42</p> <p>43 OPERATING EXPENSES</p> <p>44</p> <p>45</p> <p>46</p> <p>47</p> <p>48</p> <p>49</p> <p>50 MAINTENANCE EXPENSES</p> <p>51 DEPRECIATION / AMORTIZATION EXPENSES</p> <p>52</p> <p>53 TAXES OTHER THAN INCOME <i>54</i></p> <p>54 INCOME TAXES <i>53</i></p> <p>55 DEFERRED TAXES</p> <p>56 GAINS / LOSS DISPOSAL UTILITY PLANT</p> <p>57</p> <p>58</p> <p>59</p> <p>60</p>	
			<p>OTHER INCOME</p> <p>61 OPERATING INCOME</p> <p>62 ALLOWANCE FOR FUNDS USED DURING CONST.</p> <p>63 INCOME DEDUCTIONS</p> <p>64 TAXES</p> <p>65</p> <p>66</p> <p>67</p> <p>68 INTEREST CHARGES</p> <p>69</p> <p>70</p> <p>71 EXTRAORDINARY ITEMS</p> <p>72</p>	

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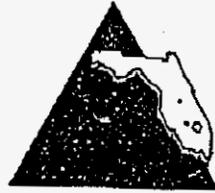
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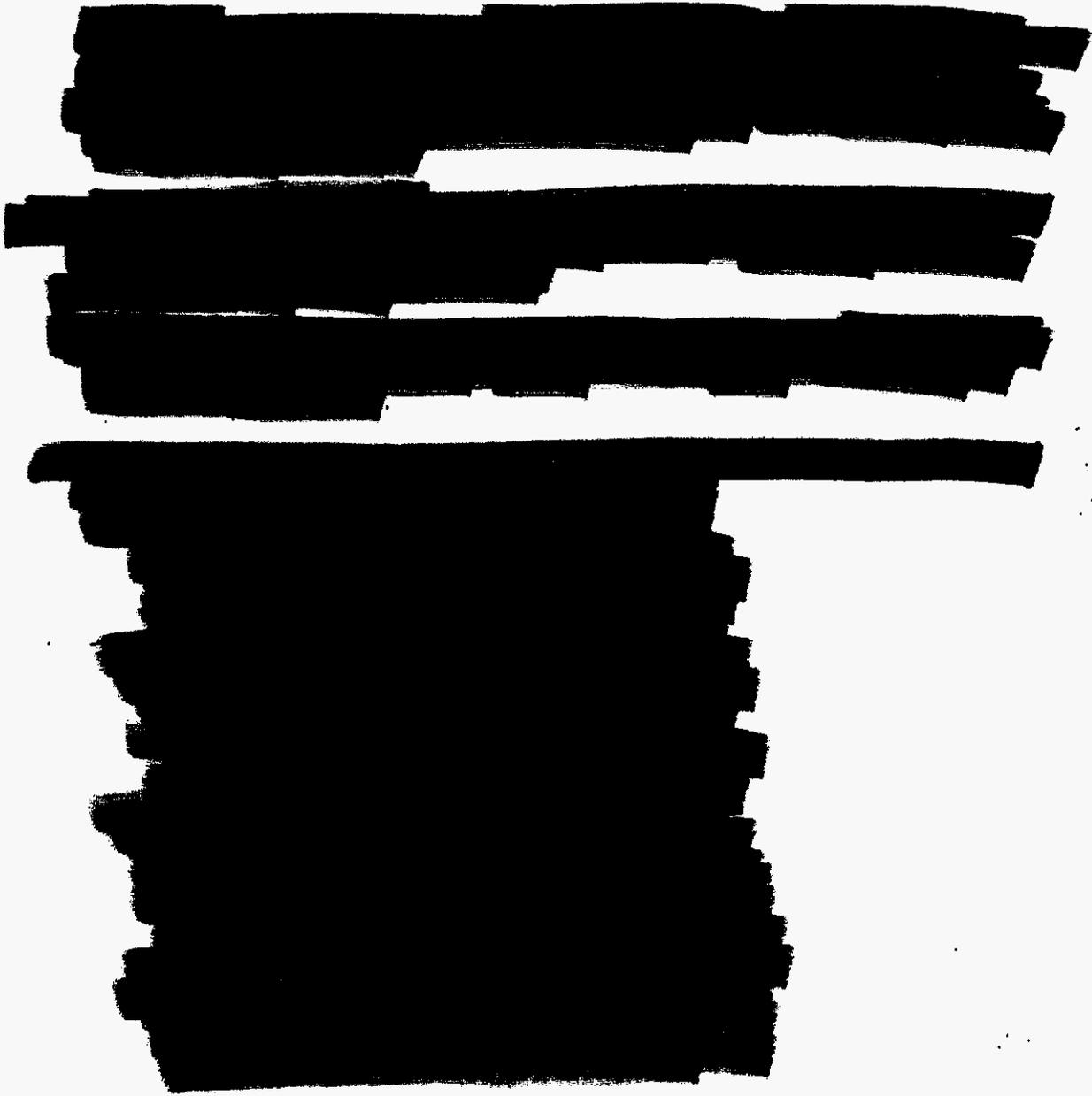
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