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EXHIBIT A

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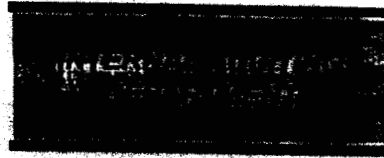
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FPSC-RECORDS/REPORTING



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FRANCHISE DESIGNATION REVIEW

2

May 7, 1999

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Audit Report No. 992-51

9
P. 1



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1 TO: **Bill Hamilton** DATE: **May 7, 1999**
2 **Vice President - Customer Service**

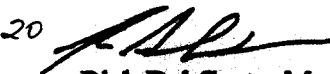
3 **Armando Olivera**
4 **Vice President - Distribution**

5 FROM: **Internal Auditing** LOCATION: **IA/GO**

6 SUBJECT: **Franchise Designation Review**

7 Attached is your copy of the subject audit report. Customer Service's
8 proactive efforts to address the accuracy of CIS II's municipal tax
9 codes shows timely action given the new 1998 state legislation
10 outlining municipal tax responsibilities. In addition, the inclusion of
11 franchise fees and optional sales taxes in this effort, further leverages
12 the work being performed to these closely related areas.

13 Our review did note that better communication by Service Planning in
14 the receipt and dissemination of franchise boundary changes is
15 necessary, to ensure new premises are accurately designated when
16 added to CIS II. Currently, Distribution personnel are working on
17 formalizing a process to enhance this communication process, and to
18 determine if new automated tools can assist Distribution personnel in
19 the assignment of franchise codes.

20 
21 **Rick Del Cueto, Manager**
22 **Internal Auditing**

23 Attachment

24 cc:	J. Bouchillon	M. Miranda
25	M. Davis	J. Molyneaux
26	M. Fogarty	E. Prieto
27	J. Gomm	S. Romig
28	M. Gonzalez	J. Safarik
29	D. Klinger	D. Tomlin
30	W. Lowder	J. Vazquez
31	J. McCormick	G. Williams
32	G. Mass	

FRANCHISE DESIGNATION REVIEW

EXECUTIVE SUMMARY

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3 BACKGROUND AND OBJECTIVES:

4 New state legislation, outlining municipalities' responsibility for submitting revisions for boundary changes and
 5 annexations was enacted in 1998 for municipal taxes. The Customer Service business unit has taken this new
 6 legislation as an opportunity to ensure that FPL's records for municipal taxes, as well as franchise fees and optional
 7 sales tax, are correct. Customer Service management requested Internal Auditing to review the process of assigning and
 8 updating franchise codes to ensure the process is working as intended. Our review concentrated on the:

- 9 I. Process used to verify accuracy of franchise codes in CIS II;
- 10 II. Process used when changes to franchise codes result from annexations; and,
- 11 III. Potential tools to assist in franchise code assignment.

A	B	C
Issue	Management Action/Status	Report Page
12 Process Used to Verify Accuracy of Franchise Codes 13 in CIS II 14 15 16 Current Status 17 To date, approximately 50% of the 4 million premises in 18 CIS II have had the municipal tax, franchise fee, and 19 optional sales tax verified through review of the franchise 20 code designation.	Not applicable.	2
21 Metered Accounts - Work Prioritization 22 Time deadlines set by the Statute were not met for 20 of 23 125 municipalities.	Customer Service will incorporate a prioritization process when missing a deadline is anticipated.	2-3
24 Streetlights and Traffic Lights (Unmetered Accounts) 25 Lighting Support Services (LSS) performed their 26 verification for streetlights, but inadvertently omitted 27 traffic lights.	Distribution's LSS personnel will ensure all accounts and facilities are included in their review.	3
28 Process Used for Annexations 29 Streetlight and Traffic Lights 30 The status of annexations pending field investigations 31 were not verified or followed up by LSS personnel on a 32 timely basis. 33 34 35 36 37 38	Distribution's LSS personnel have committed to keeping their pending list current. As a result of the audit, LSS identified 49 annexations that appeared to be pending field investigations, some dating back over 8 months. During the audit LSS personnel determined that only 2 annexations remained pending. 40 annexations did not impact facilities, 5 were completed by LSS, and 2 were in the process of being worked by LSS personnel.	4-5

FRANCHISE DESIGNATION REVIEW

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EXECUTIVE SUMMARY

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A B C

Issue	Management Action/Status	Report Page
<p><u>Premises Under Construction</u></p> <p>Instances were identified where Service Planning either did not ensure receipt of annexations from within the Company, or communicate the annexations to planners assigned to the affected areas.</p>	<p>Distribution will develop a process to ensure annexation notices are properly received, handled, and maintained by Service Planning locations.</p> <p>Customer Service's Southern Customer Accounting (SCA) will prepare a spreadsheet of annexations as a tool to summarize and communicate the information to internal customers.</p>	<p>6-7</p>
<p><u>Potential Tools to Assist in Franchise Code Assignment</u></p> <p><u>Geographic Information Systems (GIS)</u></p> <p>Opportunities to offer enhanced tools to assist in franchise code assignment exist.</p>	<p>Information Management (IM) and Distribution personnel are working together to determine the cost/beneficial functionalities of GIS.</p>	<p>7-8</p>
<p><u>Integrated Work Management System (IWMS) and Distribution Construction & Planning System (DCPS)</u></p> <p>The functionality to allow changes in franchise codes in DCPS to be passed to CIS II is currently not working.</p>	<p>IM personnel are investigating the recent loss of functionality and will notify appropriate Distribution personnel so the impact can be assessed.</p>	<p>8-9</p>

1 Rick Del Cueto, Manager
2 Internal Auditing
3 Florida Power & Light Company

Miami, Florida
May 7, 1999

4 Subject: Franchise Designation Review

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5 **BACKGROUND:**

6 In 1998, FPL remitted to various taxing authorities a total of \$887 million for franchise fees,
7 municipal taxes, sales tax, and optional sales taxes. Franchise fees and municipal taxes make up
8 the majority of the remittances, consisting of approximately \$246 million and \$503 million,
9 respectively. Sales tax and optional sales taxes make up approximately \$134 million and \$4
10 million, respectively. To facilitate the franchise fee and municipal tax billing and remittance
11 process, FPL assigns franchise codes to each premise as an identifier of the taxing authority and
12 the tax rate. FPL's franchise codes are assigned based on the physical boundaries set by these
13 taxing authorities.

14 New state legislation, outlining municipalities' responsibility for submitting revisions for
15 boundary changes and annexations was enacted in 1998 for municipal taxes. Municipalities were
16 made responsible for updating their address list as changes occurred and for furnishing this
17 information to entities affected by the changes. Florida State Statutes 166.231 - 166.234 ("The
18 Statute"), requires a municipality to provide a copy of their annexation ordinances and a current
19 address list within 20 days following receipt of any entity's (e.g. FPL) written request. During
20 the address "agreement" process, it is both the entity's and municipality's responsibility to
21 respond to correspondence within 60 days following receipt. The Statute generally relieved the
22 entity from the liability for inaccurate collection and remittance of municipal taxes prior to the
23 address "agreement" process presently underway. The Customer Service business unit has taken
24 this new legislation as an opportunity to ensure that FPL's records for municipal taxes, as well as
25 franchise fees and optional sales tax, are correct.

26 The Customer Service business unit requested Internal Auditing to review the process of
27 assigning and updating franchise codes to ensure the process is working as intended.

28 **SCOPE AND OBJECTIVES:**

29 To determine the efficiency and effectiveness of assigning franchise codes, the auditors
30 performed a review of the process currently utilized. Our review concentrated on the:

- 31 I. Process used to verify accuracy of franchise codes in CIS II;
- 32 II. Process used when changes to franchise codes result from annexations; and,
- 33 III. Potential tools to assist in franchise code assignment.

34 **I. Process Used to Verify Accuracy of Franchise Codes in CIS II**

35 **Background**

36 In January 1998, the Customer Service business unit initiated a project to verify the accuracy of
37 franchise codes within CIS II. Customer Service identified 226 municipalities within the CIS II

1 system. Two Customer Service Franchise Analysts assigned to the project, sent letters to 196
2 municipalities requesting current address lists. The remaining 30 municipalities had already sent
3 address lists to FPL. Currently, the analysts have received responses from a total of 142
4 municipalities (including the 30 unsolicited responses). Ms. Martha Gonzalez, Billing and
5 Customer Accounting Systems Projects & Support Manager, stated that second requests have
6 been sent to the 84 non-responding municipalities.

7 Based on discussions with Customer Service personnel and through our observations, the
8 franchise code verification process consists of the following:

9 The Franchise Analysts run a program that compares the data in CIS II to the municipalities'
10 address lists. Seven exception reports are generated which detail any discrepancies between CIS
11 II and the municipalities' lists (ie. franchise code, street name, street suffix, zip code, range of
12 addresses, street directional, and "other"). The exceptions are researched and resolved through
13 the use of maps and through communications with municipality representatives. When FPL and
14 the municipalities are in agreement with the resolution of the exceptions, the Franchise Analysts
15 make any required revisions to the customers' accounts in CIS II. When a municipality is 100%
16 verified, the Franchise Analysts send a letter to the municipality to confirm that FPL and the
17 municipality are in agreement. In addition, this letter requests quarterly updates for any changes.

18 Current Status

19 • The 226 municipalities contained in CIS II represent 3,945,515 premises. Of the 142
20 responding municipalities, 1,986,778 (50%) premises have been verified. Twenty of these
21 municipalities have been 100% verified (137,168 premises).

22 • Currently, within the 142 responding municipalities there are 549,191 (14%) premises
23 awaiting clarification.

24 • Of the 84 non-responding municipalities [1,409,546 (36%) premises], 42 municipalities do
25 not have a municipal tax. However, these 84 municipalities may have a franchise fee and/or
26 optional sales tax that would be impacted if franchise codes for premises are incorrect.

27 Audit Tests - Metered Accounts

28 In order to test the accuracy of franchise codes in CIS II for the 20 municipalities that are 100%
29 verified, the auditors performed the following:

30 • Selected 10 premises from the municipalities' lists and traced the address to the CIS II
31 database and determined whether the franchise code was correct. No exceptions were noted.

32 In order to test the process used by the Franchise Analysts to verify franchise codes, the auditors
33 performed the following:

34 • Obtained the seven exception reports generated for one municipality and observed the
35 Franchise Analysts research and resolve several exceptions. Noted that the exceptions were
36 resolved and franchise codes updated accordingly.

37 • Of the 142 responding municipalities, 125 have a municipal tax and are therefore subject to
38 the time requirements under the Statute. In order to determine whether FPL is in compliance

1 with the 60 day time requirement for requesting address clarifications, the auditors reviewed
2 the "Address Verification Project Control Report" used to track the project's progress and
3 selected correspondence files from the 125 municipalities with municipal tax. The control
4 report indicated that FPL did not meet the time requirements for 20 of the 125 municipalities.

5 Recommendations

6 Priors to missing deadlines imposed by the Statute, Billing and Customer Accounting should
7 determine if there are any negative financial impacts to FPL associated with the individual
8 municipalities. If there are negative financial consequences, consideration should be given to
9 working those municipalities that have the highest financial impact first, or re-aligning tasks and
10 resources in a cost/beneficial manner.

11 Management Response

12 Ms. Gonzalez stated that in most cases the information needed to determine the financial impact
13 to FPL is not available until the review for a municipality is substantially complete. However,
14 she said Customer Service will incorporate a prioritization process when it is determined that a
15 deadline will be missed.

16 Audit Tests – Streetlights & Traffic Lights (Unmetered Accounts)

17 The franchise code verification process for streetlights and traffic lights is being worked by
18 Distribution's Lighting Support Services department (LSS). During the audit, LSS personnel
19 stated that their review included only streetlights, and inadvertently omitted traffic lights.

20 Recommendations

21 LSS personnel should ensure all accounts and facilities are included in their review.

22 Management Response

23 Mr. Eduardo Prieto, Lighting Support Services Manager, stated the LSS review of franchise
24 codes will include all accounts and facilities under their responsibility. He added that LSS
25 personnel will backtrack previous work, and determine if any traffic lights require updating.

26 II. Process Used for Annexations

27 Annexation is a process whereby a municipality changes its boundaries. These boundary changes
28 may affect franchise codes for (A) existing premises, (B) streetlights & traffic lights, and (C)
29 premises under construction and vacant land available for future premises. Based on discussions
30 with Customer Service and Distribution personnel and through our observations, the annexation
31 process consists of the following:

32 When municipalities annex an area, a local ordinance is passed which describes the affected area
33 and its boundaries. The municipalities send a copy of the ordinance (and map if available) to
34 various departments/divisions within FPL. The municipalities' correspondence is eventually
35 forwarded to an accounting representative in Southern Customer Accounting (SCA) who is the
36 control point for all annexations. The ordinances are logged in an "Annexation Log" and copies

1 are distributed to various internal users. (See attached Customer Service process flowchart-
2 Attachment A).

3 A. Existing Premises

4 Process/Guidelines

5 SCA forwards a copy of the municipalities' annexation information to the Meter Reading
6 location covering the affected addresses. Meter Reading is responsible for determining if any
7 existing customer accounts are affected by these annexations, and forwarding their findings to
8 SCA within 30 days as per Customer Service's internal guidelines.

9 The SCA representative is responsible for inputting any required franchise code changes in
10 CIS II for residential and commercial premises based on Meter Reading's findings.

11 Audit Tests

12 To test for the timely: (1) notification of Meter Reading by SCA, (2) identification of affected
13 accounts by Meter Reading, and (3) update of accounts in CIS II by SCA, the auditors
14 performed the following:

- 15 • Selected several annexations from the Annexation Log maintained by SCA;
- 16 • Reviewed correspondence and other documentation contained in the files noting whether
17 Meter Reading is being properly and timely informed by SCA of any boundary changes;
- 18 • Examined if the Meter Reading department is informing the SCA accounting
19 representative of any franchise code changes in a timely manner; and,
- 20 • Examined if the SCA representative is updating the changes in CIS II in a timely manner.

21 The auditors noted that SCA mails copies of annexations to Meter Reading in a timely
22 manner, and that Meter Reading generally responds to SCA within the 30 days specified in
23 Customer Service's internal guidelines. The auditors also noted that SCA personnel follow-
24 up when the 30 day deadline is missed by Meter Reading, however the number of missed
25 deadlines was noted to be infrequent.

26 B. Streetlights & Traffic Lights

27 Process/Guidelines

28 SCA forwards a copy of the municipalities' annexation information to the Commercial/
29 Industrial (C/I) Field Representatives location covering the affected addresses. The C/I Field
30 Representatives are responsible for determining if any existing streetlight and traffic light
31 accounts are affected by these annexations, and forwarding their findings to SCA within 30
32 days as per Customer Service's internal guidelines. In addition, a copy is sent to LSS for
33 their information. LSS maintains a pending file, to monitor resolution of annexations that
34 may affect their workload. The SCA representative forwards the results of C/I's investigation
35 onto LSS for input into CIS II's Revenue Facilities Management System (RFMS).

1 **Audit Tests**

2 To test for the timely: (1) notification of C/I by SCA, (2) identification of affected accounts
3 by C/I, and (3) update of accounts in CIS II's RFMS by LSS, the auditors performed the
4 following:

- 5 • Selected several annexations from the Annexation Log maintained by SCA;
- 6 • Reviewed correspondence and other documentation contained in the files noting whether
7 C/I is being properly and timely informed by SCA of any boundary changes;
- 8 • Examined if the C/I department is informing the SCA accounting representative of any
9 franchise code changes in a timely manner; and,
- 10 • Examined if the LSS receives the disposition of the research and is updating the changes
11 in CIS II's RFMS in a timely manner.

12 The auditors noted that SCA mails copies of annexations to C/I in a timely manner, and that
13 C/I generally responds to SCA within the 30 days specified in Customer Service's internal
14 guidelines. The auditors also noted that SCA personnel follow-up when the 30 day deadline
15 is missed by C/I, however the number of missed deadlines was noted to be infrequent.

16 The auditors reviewed the LSS list of annexations pending responses from C/I, to determine
17 if their disposition was being communicated and accounts were being updated in a timely
18 manner. The following was noted:

19 As a result of the audit, LSS prepared/updated their list of annexations pending results of
20 C/I's field work. The list contained 35 pending annexations requiring a determination of the
21 impact on streetlights, some dating back over 8 months. For these streetlights/accounts, the
22 potential exists that not only are their franchise code incorrect, but that the annexation change
23 may impact the customer that should be responsible for the bill - in practice, at times FPL
24 assumes the liability for any under recovery. In discussion with Customer Service personnel
25 and the auditors' limited review of SCA files, all but 2 of these annexations (which were
26 being followed-up by SCA with C/I) had in fact fieldwork performed by C/I, and would have
27 been forwarded to Lighting Support Services by SCA as part of the process.

28 **Recommendations**

29 LSS should develop internal guidelines to ensure that items pending, and items received, are
30 updated to accounts in a timely manner. In addition, LSS should determine if this late updating
31 of accounts places FPL in a liability position with the associated municipalities for not properly
32 maintaining our records.

33 **Management Response**

34 Mr. Prieto stated that LSS has established a pending file to ensure delayed responses to
35 annexations are followed up on a timely basis. He stated that, as a result of the audit, LSS
36 personnel identified from their records a revised total of 49 annexations which appeared to be
37 pending a response. During the course of the audit, LSS determined that only 2 annexations are
38 still pending receipt as confirmed by SCA. Of the remaining 47 annexations, 40 had no facilities
39 impacted, 5 have been completed by LSS, one was delayed by LSS due to a lack of manpower,
40 and LSS is currently processing one item that was delayed due to problems with the conversion of
41 RFMS into CIS II. Additionally, Mr. Prieto stated that to ensure consistency across FPL and

1 compliance with annexations, LSS personnel will contact Ms. Gonzalez of Customer Service to
2 ensure the proper effective date of the franchise code changes is being used by LSS.

3 C. Premises Under Construction or Vacant Land Available for Future Construction

4 Process/Guidelines

5 SCA forwards a copy of the municipalities' annexation information to the Service Planning
6 location covering the affected area. For the Distribution business unit, based on observations
7 and discussions, no standard process or understanding of responsibilities was evident at the
8 two Service Planning locations selected in the audit.

9 Audit Tests

10 The auditors interviewed Service Planning personnel and reviewed associated files to
11 determine if annexations notices were being received and their impact on premises under
12 construction being considered.

13 At the first Service Planning location, the clerical assistant recalled receiving them, but no
14 file to support the Service Planners was maintained. Neither the supervisor or the
15 Designer/Service Planners recall being provided copies or a notice of the changes for their
16 use in assigning franchise codes to their affected areas.

17 • The auditors selected one completed premise with a potential for error (given its
18 proximity to a franchise boundary) and determined that it was in fact assigned the
19 incorrect franchise code.

20 In the second Service Planning location, the Lead Planner from memory recalled receiving all
21 but one of the 9 annexations notices in the auditors selection. However, no file was on hand
22 to support the receipt of notifications, or for future reference.

23 • The auditors randomly reviewed a few accounts for each of the 9 annexation areas. For
24 one of the areas, it was noted that 2 of the selected accounts had incorrect franchise
25 codes.

26 Recommendations

27 1. Since the integrity of the CIS II database is dependent upon Service Planners correctly setting
28 up the franchise codes for the premises and streetlights, the communication of franchise
29 boundary changes to them is critical. The process of receiving, filing, and disseminating this
30 information within Service Planning should be formalized and adhered to. In addition, the
31 use of additional tools to enhance the ability to determine franchise areas, as discussed in
32 Section III below, should be explored.

33 2. To facilitate the annexation communication process from SCA to Service Planning, SCA
34 should provide a spreadsheet or simple database that compiles all annexations. Also, other
35 departments such as LSS, C/I, and Meter Reading would reference the spreadsheet to
37 determine if they have received the most recent updates to franchise areas.

1 Management Response

- 2 1. Mr. Manny Miranda, Director - Operations Support, stated that a process will be developed
3 within Service Planning to ensure annexation notices are properly received, handled, and
4 maintained by Service Planning locations. He stated that this process will be communicated
5 to all Service Planning locations.
- 6 2. Mr. Mike Wilkinson, SCA Supervisor, stated that an Excel spreadsheet will be developed to
7 maintain a list of annexations. The spreadsheet will be periodically e-mailed to Service
8 Planning locations, Meter Reading, C/I, and Lighting Support Services, as a current listing of
9 all annexations.

10 III. Review of Potential Tools to Assist in Franchise Code Assignment

11 A. Geographic Information System (GIS)

12 One potential tool to assist in franchise code assignment is the Geographic Information System
13 (GIS). The GIS is a graphical database that allows the overlaying of desired criteria over a map
14 of the FPL service territory. Currently, the resulting views identify primary feeders, secondary
15 distribution lines, transformers, etc.

16 The auditors discussed the functionality of GIS with Mr. Jim Bouchillon, Manager of GIS - IMB,
17 and determined that GIS does not currently have an "overlay" capable of designating a franchise
18 area for customer premises. The data needed to provide this functionality has been purchased and
19 is presently being reviewed for accuracy. To allow this overlay to be used, enhancements to the
20 data may be required to update for missing data or recent municipality boundary changes.

21 Recommendations

22 The GIS group of Information Management (IM) should:

- 23 • Determine if the franchise area overlay capability within GIS is cost effective to develop, and
24 determine in conjunction with the Distribution and Customer Service business units, if it
25 would be an efficient tool for Service Planning and/or Customer Service personnel when
26 researching franchise boundaries.
- 27 • Obtain potential end-user requirements (Service Planning & Customer Service) that would
28 make the system useful for their specific needs.
- 29 > Users may need to search by address, address ranges, legal description, zip codes, etc.,
30 which may not be current GIS options.
- 31 • Ensure GIS is accurate and updated. Although the GIS department is on SCA's distribution
32 list for annexation updates, a more formalized method may be required to verify that all

- 1 updates are received. To facilitate the verification of annexation updates, GIS personnel
2 should reference the proposed SCA spreadsheet listing annexations noted in Section II. C.
- 3 • Appropriate training should be provided to Distribution personnel on the use and
4 functionality of the GIS. In the auditors' discussion with Service Planning personnel, it was
5 noted that field personnel were either not aware of GIS's existence, or how to use it.
- 6 • Determine if GIS can be used as part of an automated validation process, either when a
7 Service and Meter Order (SMO) is created, or when the SMO is completed in the Distribution
8 Construction Planning & Scheduling (DCPS) system and the new address is initiated into CIS
9 II. This will help ensure new additions to the CIS II database are accurate.
- 10 • Determine if GIS data can automatically run against CIS II to perform periodic verification
11 reviews to validate the accuracy of the CIS II database, and vice versa.

12 **Management Response**

13 Mr. Bouchillon stated that as part of the process of enhancing the functionality of GIS, his
14 department is addressing in a systematic manner all of the recommendations made by Internal
15 Auditing as part of this audit.

16 **B. Integrated Work Management System (IWMS) and/or DCPS**

17 The Integrated Work Management System (IWMS) and/or DCPS are used by Service Planners to
18 designate franchise codes for new construction addresses under a work order. Currently, neither
19 the IWMS or DCPS allow a subset of addresses under a work order/franchise to be moved to a
20 new work order/franchise, without requiring the canceling and retyping of all the affected
21 addresses.

22 **Recommendations**

- 23 1. IM should determine if it is cost beneficial to enhance DCPS with the functionality of moving
24 a portion of addresses from one work order/franchise to a new one, instead of requiring the
25 retyping of all information. In addition, if the SMO functionality is designed into IWMS in
26 the future, this enhancement should also be considered.
- 27 2. Currently, the functionality to allow updates to franchise codes originating in DCPS from
28 being updated in CIS II is not working. The possibility exists that Service Planners have
29 corrected franchise designations in DCPS with the expectation that the change would be
30 forwarded to CIS II.
- 31 > IM should resolve this recent finding and notify Distribution management of the loss of
32 functionality that prevents updates to franchise codes being transmitted to CIS II. In

1 addition, the amount of exposure should be quantified. IM should determine if it is
2 possible to use system queries to identify the specific premises that were affected.

3 **Management Response**

4 1. Mr. John McCormick, Project Manager - IMB, stated that DCPS is planned to be replaced
5 within the next 12 to 18 months. Therefore, updates to DCPS for this functionality are not
6 anticipated, but will be considered if DCPS is not replaced within this timeframe. If either
7 IWMS or an "off-the-shelf" work management system replace DCPS, the option to move
8 addresses to a new work order/franchise will be considered.

9 2. Mr. McCormick stated that a Request for Service (RFS), ticket number DCPS-29, was
10 assigned on February 11, 1999 to address the recent loss of functionality that prevents the
11 passing of updated franchise codes from DCPS/IWMS to CIS II. He stated that this RFS has
12 been classified as priority 1. Mr. McCormick added that Distribution management will be
13 notified that this functionality is currently not working. In addition, he stated that a
14 determination will be made if the amount of exposure can be quantified. Also, a
15 determination will be made if it is possible to identify what specific premises did not have
16 updated franchise codes correctly passed to CIS II.

17 The auditors appreciate the assistance and cooperation extended by all personnel contacted
18 throughout the course of the audit.

19 **Internal Auditors:**

20 Rosanna Coppola-Borges

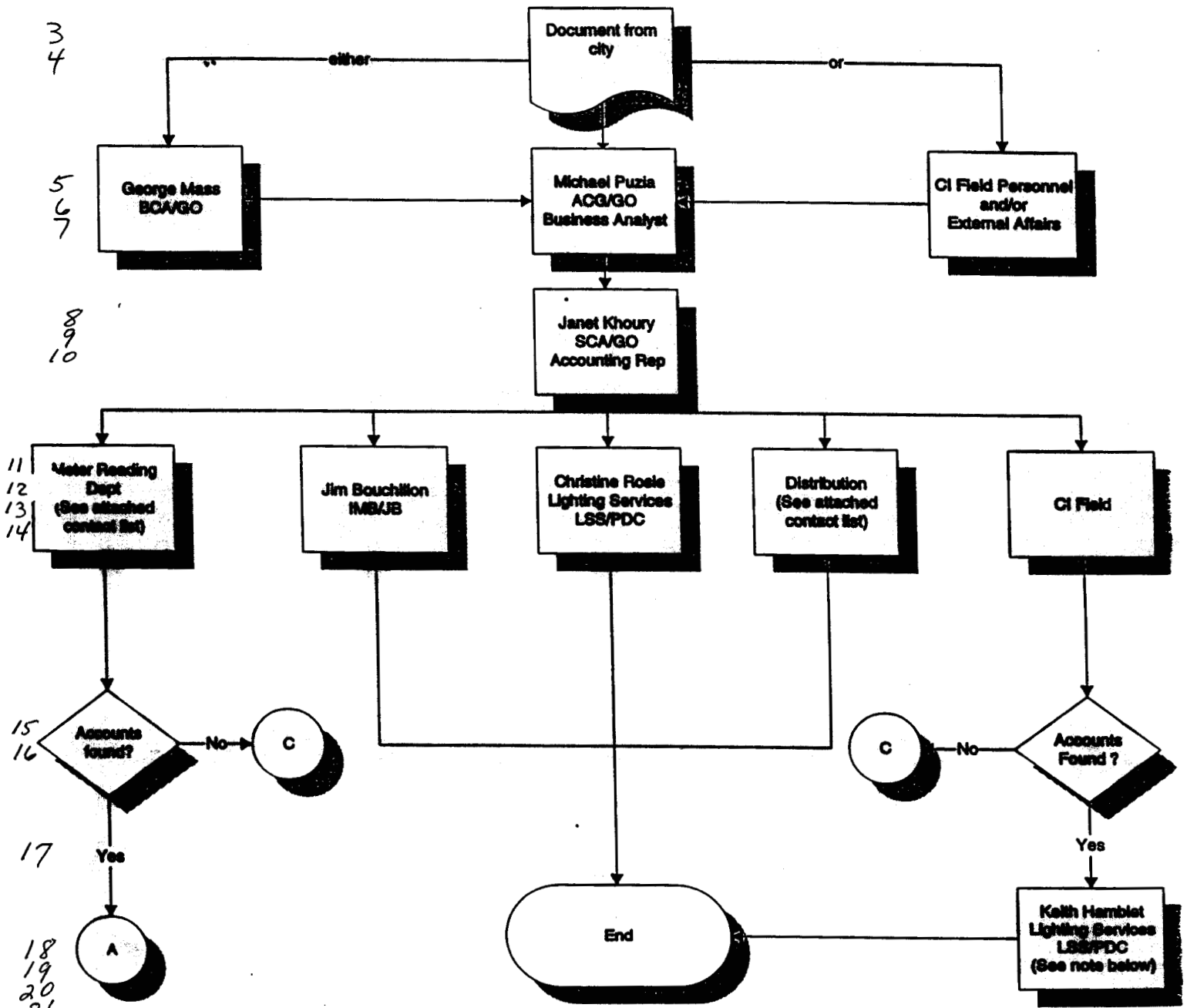
21 Ron Midei

22 Michael Vogel

High Level Annexation Process Flow

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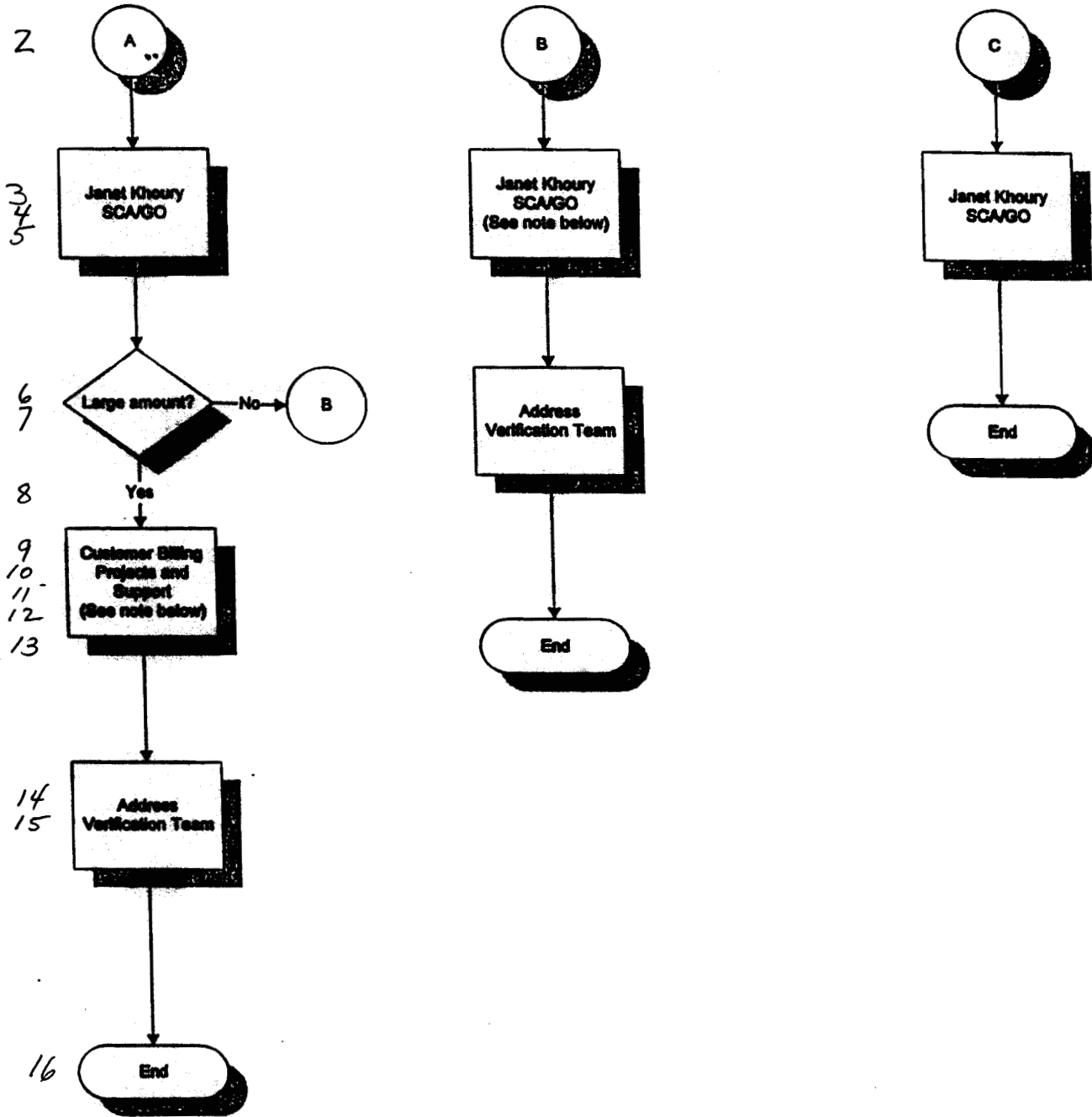
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22 Note: Update CIS II as necessary

23 2/18/00

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17 Note: Update CIS II as necessary

18 2/12/00

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**ANNEXATION PROCESS
METER READING CONTACT LIST**

<u>Location</u>	<u>Contact Person</u>	<u>Mail Location</u>	<u>Tel #</u>
4 Lake City	W.E. Bill Thomas	NFM/MC	8-259-7234
5 Macclenny	W.E. Bill Thomas	NFM/MC	8-259-7234
6 Palatka	W.E. Bill Thomas	NFM/MC	8-259-7234
7 St Augustine	W.E. Bill Thomas	NFM/MC	8-259-7234
8 Calahan	W.E. Bill Thomas	NFM/MC	8-259-7234
9 Flagler County	Joe Coury	DYM/CSN	8-254-2440
10 Daytona	Joe Coury	DYM/CSN	8-254-2440
11 Sanford	Bart Gaetjens	CFM/CM1	8-455-6170
12 Palm Bay	Bart Gaetjens	CFM/CM1	8-455-6170
13 Melbourne	Bart Gaetjens	CFM/CM1	8-455-6170
14 Cocoa	Anna Graves	SCM/CM1	8-455-6160
15 Titusville	Anna Graves	SCM/CM1	8-455-6160
16 Port St. John	Anna Graves	SCM/CM1	8-455-6160
17 Merritt Island	Anna Graves	SCM/CM1	8-455-6160
18 Melbourne	Anna Graves	SCM/CM1	8-455-6160
19 Fellsmere	Anna Graves	SCM/CM1	8-455-6160
20 Sebastian	Anna Graves	SCM/CM1	8-455-6160
21 Ft Pierce	Carlton Evans	TCM/SR	8-781-3100
22 Okeechobee	Carlton Evans	TCM/SR	8-781-3100
23 Palm City	Carlton Evans	TCM/SR	8-781-3100
24 Stuart	Carlton Evans	TCM/SR	8-781-3100
25 West Palm (North)	Bob Dewitt	NPM/CSE	8-840-2255
26 West Palm (South)	Kammi Janisch	SOM/CSE	8-840-2530
27 Belle Glade	Kammi Janisch	SOM/CSE	8-840-2530
28 Delray	Brian Bowman	TCM/SR	8-265-3138
29 Boca Raton	Brian Bowman	TCM/SR	8-265-3138
30 Boynton	Brian Bowman	TCM/SR	8-265-3138
31 Bunninton	Ty Ross	BAM/BA	8-708-2904
32 Arcadia	Ty Ross	BAM/BA	8-708-2904
33 Sarasota	Judy Mass	SSM/AOW	8-316-6200
34 Venice	Judy Mass	SSM/AOW	8-316-6200
35 North Dade-Miami Bch	Barbara Santos	NDM/MNE	8-770-7966
36 Miami	Tom Reeder	MEM/LFO	8-442-5307
37 Dade South	Ron Navarro	DSM/PNC	8-228-5790
38 Coral Gables	* Jose Vidal	CGM/DS	8-228-5090
39 Hialeah	* Chris Moore	HLM/HL	8-882-2122
40 North Broward	Jeff Wade	NBM/NBM	8-970-8430
41 Hollywood	Mark Mason	HOM/HO	8-926-1706
42 Ft Lauderdale	Fred Staples	FLM/FL	8-765-3220
43 Central Broward	Jose Rodriguez	CBM/CB	8-581-3033
44 Ft Myers	Sheri Rayburn	FMM/FM	8-332-9206
45 Punta Gorda	Sheri Rayburn	FMM/FM	8-332-9206
46 Naples	Jerry Jenkins	NAM/NA	8-434-1243

48 * Meter reading supervisor to be announced - all correspondence to be forwarded to the lead
49 rep until a supervisor is assigned to that area.

2/22/99

CONFIDENTIAL

FPL FiberNet LLC
Support for Response to Audit Document/Record Request
Request Dated 8/30/00, No. 8, Item No. 1

41-1
2-1
6-1

- 1 An adjustment (net \$41,045.65) was made to the February FiberNet revenues in March (see March
- 2 memo to Tom Keilher). This adjustment was made to the March FiberNet Revenues used to calculate
- 3 the March provision for refund on the Provision for Refund Calculation spreadsheet.

41-1
2-1
6-1



FPL Peter Clayton

04/06/2000 08:59 AM

To: Tom Kelliher@FPL
 cc: Sol Stamm@FPL, David Eckmann/IM/FPL@FPL, Joe Ferrel/IM/FPL@FPL, Don Babka@FPL, Winnie Lohmann@FPL
 Subject: Fiber Revenues - March 2000

1 Please note that a FEBRUARY revenue accrual in the amount of \$48,289 was recorded after revenues
 2 subject to refund were reported. Additional ITC Deltacom Fees associated with these revenues were also
 3 recorded amounting to \$7,243.35. See revised February numbers below.

4 FPL FiberNet Revenues for March 2000: *Net for March = 1,979,614.07 - 48,289 + 7,243.35*
 5 *+ 213,503 = 2,152,071.42*

	<i>B</i> Subject to Refund	<i>C</i> Not Subject to Refund	<i>D</i> Total
6 Operating Revenues	\$2,471,268.59	\$ 43,586.89	\$2,514,855.48
7 <A>			
8 ITC Deltacom Fees	(491,654.52)		(491,654.52)
9	<u>1,979,614.07</u>	<u>43,586.89</u>	<u>2,023,200.96</u>
10 FPL Chargeback		549,582.80	549,582.80
11 <A>			
12	<u>\$1,979,614.07</u>	<u>\$583,169.69</u>	<u>\$2,572,783.76</u>
13			<u>-48,289.00</u>
14 Sum of <A> = \$3,064,438.28 = Gross Revenue			<u>+ 7,243.35</u> <i>21,045.2</i>
15 FPL Revenues Not Subject to Refund:			<u>2,531,738</u>
16	<i>B</i> Original	<i>C</i> Adjustment	<i>D</i> Revised
17 Pole Attachment Rental:			
18 January	\$133,816.00		\$ 133,816.00
19 February	133,816.00		133,816.00
20 March	18,043.00	\$-231,546.00	- 213,503.00
21			<u>\$ 54,129.00</u>

Forwarded by Peter Clayton on 04/06/2000 08:10 AM



FPL Peter Clayton

03/06/2000 10:22 AM

To: Tom Kelliher@FPL

CONFIDENTIAL

41-1
2-1
6-1

P. 2

CONFIDENTIAL

Pole attachment revenue support:

	A	B	C	D
		# Attachments	Est. 2000 Rates	Total
2				
3		3,483	\$ 7.14	\$24,888.62
4		4,840	\$ 14.34	\$69,437.60
5		3,877	\$ 32.27	\$125,110.79
6				<u>\$ 216,517.01</u>

7 (A) $\$216,517.01 \div 12 = \$ 18,043$

8 Monthly Estimate \$ 18,043 $\times 4 = \underline{72,172}$ total

9 (A) total 216,517 for the year was reviewed
 10 in up 43-6, $\frac{43-6}{1-1}$ in audit control #.
 11 99-279-4-1

41-1
2-2

CONFIDENTIAL

1	The Fibernet Rent Revenue was estimated		
2	for January, February and March 2000 at	\$ 107,000	\$ 35,666 per month
3	In April 2000, the monthly estimate amount was revised at	34,000	
4	.. April 2000 - four months estimate	\$ 141,000	

5 total amount charged to Fibernet per
6 Audit performed by staff was \$ 32,800 per month
7 (# 99-279-d-1)
8 (Per - February Invoice documentation)
9 41-11221
10 33,000 x 4 = 132,000 (total diff possible)
11 rounded
12 Diff of estimate) \$ 9,000
13 less than
14 .0012, not material

41-1
2-3

FPL FIBER NET
COMPARATIVE INCOME STATEMENT
FOR THE MONTH ENDED 2/28/00

CONFIDENTIAL

	B	C	D	E
	THIS MONTH THIS YEAR \$	THIS MONTH LAST YEAR \$	NET INCREASE/ (DECREASE) \$	% CHANGE
6 OPERATING REVENUES:				
7 NON-UTILITY	2,406,817.67 ^(a)	0.00	2,406,817.67	0
8 TOTAL OPERATING REVENUES	2,406,817.67-	0.00	2,406,817.67-	0
9 OPERATING EXPENSES:				
10 UTILITY OPERATIONS:				
11 NON-UTILITY OPERATING EXPENSES	803,713.13	0.00	803,713.13	0
12 DEPRECIATION & AMORTIZATION EXPENSE	348,852.98	0.00	348,852.98	0
13 TAXES OTHER THAN INCOME TAXES	68,574.67	0.00	68,574.67	0
14 TOTAL OPERATING EXPENSES	1,221,140.78	0.00	1,221,140.78	0
15 OPERATING INCOME (LOSS)	1,185,676.89	0.00	1,185,676.89	0
16 INTEREST EXP & OTHER (INCOME) DEDUCTIBLES:				
17 INTEREST ON OTHER LONG-TERM DEBT	0.00	0.00	0.00	0
18 (GAINS) LOSSES-DISP NON-UTIL PROPERTY	0.00	0.00	0.00	0
19 INTEREST (INCOME)	0.00	0.00	0.00	0
20 OTHER (INCOME)/DEDUCTIONS	0.00	0.00	0.00	0
21 TOTAL INTEREST EXP & OTHER-NET	0.00	0.00	0.00	0
22 INCOME (LOSS) CONT OPER BFR INC TX	1,185,676.89	0.00	1,185,676.89	0
23 INCOME TAXES:				
24 FEDERAL INCOME TAXES	346,015.67-	0.00	346,015.67-	0
25 DEFERRED FEDERAL INCOME TAXES	738,785.92	0.00	738,785.92	0
26 TOTAL FEDERAL INCOME TAXES	392,770.25	0.00	392,770.25	0
27 STATE INCOME TAXES	57,538.51-	0.00	57,538.51-	0
28 DEFERRED STATE INCOME TAXES	122,851.78	0.00	122,851.78	0
29 TOTAL STATE INCOME TAXES	65,313.27	0.00	65,313.27	0
30 TOTAL INCOME TAXES	458,083.52	0.00	458,083.52	0
31 INCOME (LOSS) FROM CONTINUING OPERATIONS	0.00	0.00	0.00	0
32 NET INCOME (LOSS)	727,593.37	0.00	727,593.37	0

33
34
35
36
37

(a) \$2,406,817.67
 b2 456,611.93
\$ 2,863,429.20

for WK 2365.72 \$ (41,046)
 Diff see 41-1 61
 not significant to adjust
 41-1
 2-1
 6

*** FPL II/GL Balance Display ***
FPL FIBER NET

End Time: 16:43:43

Start Time: 16:43:43

TRANSACTION COMPLETE

Basic record:

Rec type: P Year: 2000 Ver: 00 Beg-Per: 02 End-Per: 02

You have selected the following ranges:

06 EAC

FROM: 0966

TO: 0966

CONFIDENTIAL

11

A

B

YTD Amount
\$952,416.01

Net Amount
\$456,611.53

Seg (903/905) Read: 11
Master (G4000) Read: 11

Not Rt, Yr, Ver, Bypassed:
Summary Records Bypassed:
Master Records Used: 11

*** Next Transaction *** 840

A Proprietary Product of Walker Interactive Products

41-1
2-1
6

FIBER NET
COMPARATIVE INCOME STATEMENT
FOR THE MONTH ENDED 3/31/00

CONFIDENTIAL

	B THIS MONTH THIS YEAR \$	C THIS MONTH LAST YEAR \$	D NET INCREASE/ (DECREASE) \$	E % CHANGE
6 OPERATING REVENUES:				
7 NON-UTILITY	2,573,270.15	0.00	2,573,270.15	0
8 TOTAL OPERATING REVENUES	2,573,270.15-	0.00	2,573,270.15-	0
9 OPERATING EXPENSES:				
10 UTILITY OPERATIONS:				
11 NON-UTILITY OPERATING EXPENSES	822,228.83	0.00	822,228.83	0
12 DEPRECIATION & AMORTIZATION EXPENSE	370,553.82	0.00	370,553.82	0
13 TAXES OTHER THAN INCOME TAXES	347,542.09	0.00	347,542.09	0
14 TOTAL OPERATING EXPENSES	1,540,324.74	0.00	1,540,324.74	0
15 OPERATING INCOME (LOSS)	1,032,945.41	0.00	1,032,945.41	0
16 INTRST EXP & OTHER (INCOME) DEDUCTNS:				
17 INTEREST ON OTHER LONG-TERM DEBT	724,278.46	0.00	724,278.46	0
18 (GAINS) LOSSES-DISP NON-UTIL PROPERTY	0.00	0.00	0.00	0
19 INTEREST (INCOME)	0.00	0.00	0.00	0
20 OTHER (INCOME)/DEDUCTIONS	0.00	0.00	0.00	0
21 TOTAL INTERST EXP & OTHER-NET	724,278.46	0.00	724,278.46	0
22 INCOME(LOSS) CONT OPER BFR INC TX	308,666.95	0.00	308,666.95	0
23 INCOME TAXES:				
24 FEDERAL INCOME TAXES	289,070.37-	0.00	289,070.37-	0
25 DEFERRED FEDERAL INCOME TAXES	391,796.18	0.00	391,796.18	0
26 TOTAL FEDERAL INCOME TAXES	102,725.81	0.00	102,725.81	0
27 STATE INCOME TAXES	48,069.15-	0.00	48,069.15-	0
28 DEFERRED STATE INCOME TAXES	65,151.29	0.00	65,151.29	0
29 TOTAL STATE INCOME TAXES	17,082.14	0.00	17,082.14	0
30 TOTAL INCOME TAXES	119,807.95	0.00	119,807.95	0
31 INCOME(LOSS) FROM CONTINUING OPERATIONS	724,278.46	0.00	724,278.46	0
32 NET INCOME (LOSS)	188,859.00	0.00	188,859.00	0

33
34
35
36

⊙ \$2,573,270.15
 P2 491,654.52
\$3,064,924.67

2531,738 = 41,532
 41-1
 2-1
 6-1
 41-1
 \$507
 1000000
 1000000
 P. 5

*** FPL II/GL Balance Display ***
FPL FIBER NET

End Time: 16:43:50

Start Time: 16:43:50

TRANSACTION COMPLETE

Basic record:

Rec type: P Year: 2000 Ver: 00 Beg-Per: 03 End-Per: 03

You have selected the following ranges:

06 EAC FROM: 0966 TO: 0966

CONFIDENTIAL₁₁

A

B

YTD Amount
\$1,444,070.53

Net Amount
\$491,654.52 P_i

$\frac{41-1}{2-1}$
 $\frac{3}{3}$

Seg (903/905) Read: 11
Master (G4000) Read: 11

Not Rt, Yr, Ver, Bypassed:
Summary Records Bypassed:
Master Records Used: 11

*** Next Transaction *** 840

A Proprietary Product of Walker Interactive Products

$\frac{41-1}{2-1}$
 $\frac{6}{6}$

11/00

CAAV/IS-M

FPL FIBER NET
COMPARATIVE INCOME STATEMENT
FOR THE MONTH ENDED 4/30/00

CONFIDENTIAL

	B	C	D	E
	THIS MONTH THIS YEAR \$	THIS MONTH LAST YEAR \$	NET INCREASE/ (DECREASE) \$	% CHANGE
6 OPERATING REVENUES:				
7 NON-UTILITY	4,844,610.34 (a)	0.00	4,844,610.34	0
8 TOTAL OPERATING REVENUES	4,844,610.34	0.00	4,844,610.34	0
9 OPERATING EXPENSES:				
10 UTILITY OPERATIONS:				
11 NON-UTILITY OPERATING EXPENSES	2,967,825.88	0.00	2,967,825.88	0
12 DEPRECIATION & AMORTIZATION EXPENSE	392,046.53	0.00	392,046.53	0
13 TAXES OTHER THAN INCOME TAXES	242,035.58	0.00	242,035.58	0
14 TOTAL OPERATING EXPENSES	3,601,907.99	0.00	3,601,907.99	0
15 OPERATING INCOME (LOSS)	1,242,702.35	0.00	1,242,702.35	0
16 INTRST EXP & OTHER (INCOME) DEDUCTNS:				
17 INTEREST ON OTHER LONG-TERM DEBT	368,083.54	0.00	368,083.54	0
18 (GAINS) LOSSES-DISP NON-UTIL PROPERTY	0.00	0.00	0.00	0
19 INTEREST (INCOME)	0.00	0.00	0.00	0
20 OTHER (INCOME)/DEDUCTIONS	0.00	0.00	0.00	0
21 TOTAL INTEREST EXP & OTHER-NET	368,083.54	0.00	368,083.54	0
22 INCOME(LOSS) CONT OPER BFR INC TX	874,618.81	0.00	874,618.81	0
23 INCOME TAXES:				
24 FEDERAL INCOME TAXES	4,579.88	0.00	4,579.88	0
25 DEFERRED FEDERAL INCOME TAXES	294,520.59	0.00	294,520.59	0
26 TOTAL FEDERAL INCOME TAXES	289,940.71	0.00	289,940.71	0
27 STATE INCOME TAXES	761.58	0.00	761.58	0
28 DEFERRED STATE INCOME TAXES	48,975.46	0.00	48,975.46	0
29 TOTAL STATE INCOME TAXES	48,213.88	0.00	48,213.88	0
30 TOTAL INCOME TAXES	338,154.59	0.00	338,154.59	0
31 INCOME(LOSS) FROM CONTINUING OPERATIONS	368,083.54	0.00	368,083.54	0
32 NET INCOME (LOSS)	536,464.22	0.00	536,464.22	0

33 (b) \$2,891,330.72
 34 P2 549,209.09
 35
 36 \$3,400,539.81
 37

(a) \$4,844,610.34
 P2 (1,993,279.62)*
 \$2,891,330.72 (b)
 4/1
 2/13

* A reporting change was made during April 2000. Commissions (see 966) were moved from revenues to sales & marketing expense.
 41-1
 2-1
 6
 P. 7

*** FPL II/GL Balance Display ***
FPL FIBER NET

End Time: 16:43:57

Start Time: 16:43:56

TRANSACTION COMPLETE

Basic record:

Rec type: P Year: 2000 Ver: 00 Beg-Per: 04 End-Per: 04

You have selected the following ranges:

06 EAC

FROM: 0966

TO: 0966

CONFIDENTIAL

11

A

B

YTD Amount
\$1,993,279.62 *fi*

Net Amount
\$549,209.09 *fi*

*41-1
2-1
3*

Seg (903/905) Read: 11
Master (G4000) Read: 11

Not Rt, Yr, Ver, Bypassed:
Summary Records Bypassed:
Master Records Used: 11

*** Next Transaction *** 840

A Proprietary Product of Walker Interactive Products

*41-1
2-1
6*

4/7/99

Annexation Process
Distribution Contact Personnel

Service Center	Dist	Svc Ctr	Contact	Mail Stop	Tel #
Panama Svc Ctr	71,73	PMO	Doug Pool	PMA/PM1	8-866-8090
Wingate Svc Ctr	74,71	WGO	Maria Valbuena	WGA/GO	8-717-2082
Goldstream Svc Ctr	72,74,71	GSO	Linda Brauer - Ferdi	GFA/HO1	8-442-8306
West Dade Svc Ctr	83	WEO	Jose "Pepe" Solares	NDA/MWE	8-559-4010
Northeast Svc Ctr	86,83	WEO	Jose "Pepe" Solares	NDA/MWE	8-559-4010
Central Svc Ctr	81,84,85,86,	CEO	Lee Davis	CDAMCE	8-377-8108
Richmond Svc Ctr	81,82	RIC	Christina E. Lopez	SDA/MRI	8-367-8859
South Dade Svc Ctr	82	SDO	Christina E. Lopez	SDA/MRI	8-367-8859
West Palm Svc Ctr	12	WBO	Mike Keightley	WBA/WP2	8-616-1657
Royal Palm Svc Ctr	42,45	RPC	Mike Keightley	WBA/WP2	8-616-1657
Jupiter Svc Ctr	45	JPO	Mike Keightley	WBA/WP2	8-616-1657
Loxahatchee Svc Ctr	45	LXO	Mike Keightley	WBA/WP2	8-616-1657
Glades Svc Ctr	45	GLO	Mike Keightley	WBA/WP2	8-616-1657
Boca Raton Svc Ctr	41	BRO	Charlie Worsham	BRA/WP2	8-742-2002
Rangelands Svc Ctr	41	RGC	Charlie Worsham	BRA/WP2	8-742-2002
Brynton Svc Ctr	41	BYO	Charlie Worsham	BRA/WP2	8-742-2002
Macdenny Svc Ctr	34	MCC	Tim Shirley	BRA/WP2	8-824-7658
Augustine Svc Ctr	13	SAO	Tim Shirley	BRA/WP2	8-824-7658
Lake City Svc Ctr	32	LCC	Tim Shirley	BRA/WP2	8-824-7658
Nassau Svc Ctr	34	NSC	Tim Shirley	BRA/WP2	8-824-7658
Palmetto Svc Ctr	12	PLO	Tim Shirley	BRA/WP2	8-824-7658
Port Orange Svc Ctr	11	PO1	Marvin Kriegeman	CFA/PO1	8-322-8402
Sanford Svc Ctr	23	SN1	Marvin Kriegeman	CFA/PO1	8-322-8402
Flagler Svc Ctr	11	BN1	Marvin Kriegeman	CFA/PO1	8-322-8402
Daytona Svc Ctr	11	DYO	Marvin Kriegeman	CFA/PO1	8-322-8402
Delbourne Svc Ctr	22	MLO	Ralph Grant	DYD/ML3	8-728-4801
Shawnee Svc Ctr	21,22	BVC	Ralph Grant	DYD/ML3	8-728-4801
North Inland	21	MIO	Ralph Grant	DYD/ML3	8-728-4801
Thurston Svc Ctr	21	TIO	Ralph Grant	DYD/ML3	8-728-4801
Chocomahee Svc Ctr	43	OKO	Eric Dillenkofer	TCA/SRV	8-337-7001
St. Lucie Svc Ctr	48	SLO	Eric Dillenkofer	TCA/SRV	8-337-7001
Walton Svc Ctr	44	TCC	Eric Dillenkofer	TCA/SRV	8-337-7001
Stuart Svc Ctr	44	SRO	Eric Dillenkofer	TCA/SRV	8-337-7001
Osceola Svc Ctr	58,57	CKC	Kim Sprague	WNA/SS5	8-827-4250
Sarasota Svc Ctr	58,57	SSO	Kim Sprague	WNA/SS5	8-827-4250
Manatee Svc Ctr	58,57	MNO	Kim Sprague	WNA/SS5	8-827-4250
Whitefield Svc Ctr		WFO	Kim Sprague	WNA/SS5	8-827-4250
Englewood Svc Ctr	57	EWC	Gary Carstens	WCA/TB1	8-423-4850
Franklin Svc Ctr	55	FKC	Gary Carstens	WCA/TB1	8-423-4850
Punta Gorda Svc Ctr	55,57	PGO	Gary Carstens	WCA/TB1	8-423-4850
Arcadia Svc Ctr	51	ARO	Gary Carstens	WCA/TB1	8-423-4850
Toledo Blade Svc Ctr	55,57	TBO	Gary Carstens	WCA/TB1	8-423-4850
Maple Svc Ctr	54	NAO	Lynn Pattyson	WSA/NA2	8-853-8000
Bonita Springs Svc Ctr		BSO	Lynn Pattyson	WSA/NA2	8-853-8000
Golden Gate Svc Ctr	54	GGO	Lynn Pattyson	WSA/NA2	8-853-8000
Fort Myers Svc Ctr	53	FMO	Kip Galliard	WSA/BS1	8-947-7370
Madison Svc Ctr	53,54	GDO	Kip Galliard	WSA/BS1	8-947-7370

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

CONFIDENTIAL

TO: Dave Wasielewski
UTILITY: FPL
FROM: Raymond Grant
(AUDIT MANAGER)

Raymond Grant
(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 4
AUDIT PURPOSE: Earnings Surveillance Report

DATE OF REQUEST: 8/2/00

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: _____

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 detailed breakdown of Gross Fiber Revenue
- 2 of \$10,187,000 9/6
- 3
- 4 Provide supporting documentation for the following
- 5 FPL charge back \$ 2,198,000 9/6
- 6 Fiber Attachment Revenue \$ 72,000
- 7 Fibernet Rent Revenue \$ 141,000
- 8 ~~WIRE RENT REVENUE~~
- 9 See attached schedule

TO: AUDIT MANAGER _____

DATE: 9-6-00

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 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)

Wasielewski
(SIGNATURE AND TITLE OF RESPONDENT)

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

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

CONFIDENTIAL

TO: Dave Wasielewski
UTILITY: FPL
FROM: Raymond Grant
(AUDIT MANAGER)

Raymond Grant
(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 5
AUDIT PURPOSE: Earnings Surveillance Report

DATE OF REQUEST: 8/24/00

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: _____ (DATE) 8/28/00

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

ITEM DESCRIPTION:

- 1 ① Please provide back-up supporting Fibernet revenues of
- 2 \$49,875.14D not subjected to refund for April 2000.
- 3
- 4 ② What is ITC Deltacom Fee, why and is excluded
- 5 from Fibernet revenues.
- 6 b. Provide back-up supporting Deltacom fees for \$569,889.16
- 7 for April 2000

TO: AUDIT MANAGER _____

DATE: 9-6-00

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 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)

Wasielewski
(SIGNATURE AND TITLE OF RESPONDENT)

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

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

CONFIDENTIAL

TO: D. W.
UTILITY: FPL
FROM: _____
(AUDIT MANAGER)

Liliana Piedra
(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 8
AUDIT PURPOSE:

DATE OF REQUEST: 8/30/00

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: _____
(DATE) 9/5/00

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

ITEM DESCRIPTION:

- 1 1) Provide Financials for January through April
- 2 2000 for Fiberney.
- 3
- 4 2) Explain the differences in the "chargeback" amounts
- 5 Feb 399,112 and provide new documentation
- 6 Mar 549,583
- 7 Apr 509,889

TO: AUDIT MANAGER _____

DATE: 9-6-00

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 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)

Wasidewski
(SIGNATURE AND TITLE OF RESPONDENT)

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

FPL FiberNet LLC
 Support for Response to Audit Document / Record Request
 Request Dated 8/2/00 No. 4, Item No. 2

CONFIDENTIAL

1 Item #2 - FiberNet Revenues Not Subject to Refund of \$2,198,000:

	A	B	C	D	E	F
		Jan-00	Feb-00	Mar-00	Apr-00	Total
2						
3	Gross Budgeted Chargeback Amount 41-1/2-1/2	\$ 570,331	\$ 570,190	\$ 646,568	\$ 607,521	\$ 2,394,610 (1)
4	Exclude Budgeted Sales/Municipal Tax @ 15% 41-1/2-1/3	(72,808)	(72,790)	(82,541)	(77,556)	(305,695)
5	Chargeback, net	497,523	497,400	564,027	529,965	2,088,915 ⁴¹⁻¹ ₂₋₁ 5
6	Revenue Associated with Network Expansion	-	14,944	43,587	⁴¹⁻¹ ₂₋₁ 49,875 4 P, 2	108,406
7		\$ 497,523	\$ 512,344	\$ 607,614	\$ 579,840	\$ 2,197,321 ⁴¹⁻¹ ₂

(1) See supporting detailed budget sheet.

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1 A B C #4 item 2

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Budget Code	SAC	Group Description	MONTHLY EXPENSES												Year End Amount	
			January	February	March	April	May	June	July	August	September	October	November	December		
001		Travel - Airfare								1,500	200	200	200	200	200	1,300
002		Travel - Lodging - Food	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
003		Travel - Ground - Food			40,000											40,000
004		Travel - Ground														
005		Travel - Mileage	40	40	40	40	40	40	40	40	40	40	40	40	40	480
006		Travel - Mileage - Food	2,200	2,400	2,600	2,800	2,900	3,000	4,200	4,400	4,600	4,800	4,800	4,800	4,800	40,000
007		Travel - Ground/Travel														
008		Travel - Ground/Food	4,400	4,200	3,900	3,700	3,600	3,400	2,300	2,200	2,100	2,000	2,000	2,000	2,000	22,000
009		Travel - Ground/Travel														
010		Travel - Ground	227	227	222	227	222	222	222	222	222	222	222	222	222	2,100
011		Travel - Mileage	100	100	171	200	200	200	200	200	200	200	200	200	200	2,700
012		Travel - Mileage														
013		Travel - Mileage & Travel	100	104	100	210	204	212	200	200	200	200	200	200	200	2,000
014		Travel - Mileage & Mile	2,000	2,055	2,200	2,200	2,400	2,400	2,677	2,700	2,700	2,700	2,700	2,700	2,700	26,000
015		Travel - Company	400	400	500	500	700	700	800	800	800	800	800	800	800	8,100
016		Travel - Other - High Car														
017		Travel - Other - Employees														
018		Travel - Other - Program														
019		Travel - Other - Travel														
020		Travel - Other - Mileage														
021		Travel - Other - Mileage	600	674	701	827	1,027	1,100	1,200	1,200	1,200	1,200	1,200	1,200	1,200	12,000
022		Travel - Other - Mileage	1,100	1,100	1,200	1,200	1,300	1,400	1,500	1,600	1,600	1,600	1,600	1,600	1,600	21,000
023		Travel - Other - Mileage	1,200	1,200	1,200	1,200	2,100	2,300	2,400	2,500	2,600	2,600	2,600	2,600	2,600	26,500
024		Travel - Other - Mileage														300,000
025		Travel - Other - Mileage														
026		Travel - Other - Mileage														
027		Travel - Other - Mileage														
028		Travel - Other - Mileage														
029		Travel - Other - Mileage														
030		Travel - Other - Mileage	800	800	800	800	800	800	800	800	800	800	800	800	800	9,600
031		Travel - Other - Mileage	16,700	16,700	16,700	16,800	16,800	17,000	17,000	17,500	17,500	17,500	17,500	17,500	17,500	200,000
032		Travel - Other - Mileage														
033		Travel - Other - Mileage	1,000	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	21,700
034		Travel - Other - Mileage														
035		Travel - Other - Mileage														
036		Travel - Other - Mileage														
037		Travel - Other - Mileage														
038		Travel - Other - Mileage	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
039		Travel - Other - Mileage														

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CONFIDENTIAL

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2	A B C			D E F G H I J K L M N O												Year End Amount
	Dept Code	Exp	Account Description	January	February	March	April	May	June	July	August	September	October	November	December	
3	000	000	General Services													00.00
4	000	000	Telephone	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
5	000	000	Printing	20	20	20	20	20	20	20	20	20	20	20	20	200
6	000	000	Advertising													0.00
7	000	000	Printing Equipment	201	201	201	201	201	201	201	201	201	201	201	201	2,000
8	000	000	Printing Material	1,277	1,004	1,200	1,004	2,200	2,200	2,004	2,000	2,000	2,000	2,000	2,000	20,000
9	000	000	Telephone Service													00.00
10	000	000	Telephone	4,170	4,170	4,291	5,400	7,007	7,270	8,240	8,240	8,000	8,000	8,000	8,000	60,000
11	000	000	Telephone - Other													0.00
12	000	000	Telephone - Miscellaneous													0.00
13	000	000	Telephone	711	711	711	711	711	711	711	711	711	711	711	711	7,000
14	000	000	Telephone													0.00
15	000	000	Phone Computer Software	200	200	200	201	400	400	200	201	200	201	201	201	2,000
16	000	000	Phone Computer / Equip. Maint.	200	1,000	1,000	1,200	1,000	1,000	1,200	1,000	1,000	1,000	1,000	1,000	10,000
17	000	000	Phone Computer Purchase													0.00
18	000	000	Telephone													00.00
19	000	000	Long Distance Telephone Service	1,000	1,000	1,000	1,000	2,200	2,200	2,000	2,000	2,000	2,000	2,000	2,000	20,000
20	000	000	Internet Phone Lines	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
21	000	000	Internet Phone	2,571	2,570	2,200	2,200	4,004	4,270	4,614	4,700	4,700	4,700	4,700	4,700	40,111
22	000	000	Telephone													00.00
23	000	000	Mobile - Company	207	207	200	1,000	1,017	1,001	1,004	1,200	1,200	1,200	1,200	1,200	17,000
24	000	000	Communications Equipment													0.00
25	000	000	Mobile - Equipment - General													0.00
26	000	000	Materials and Supplies													000.000
27	000	000	Materials and Supplies - General	12,000	12,000	12,000	12,000	20,470	21,000	24,100	25,120	25,120	25,120	25,120	25,120	240,700
28	000	000	Tools	1,000			1,000			1,000		1,000				4,000
29	000	000	Maintenance (and Marketing)													0.00
30	000	000	Marketing Activities													0.00

31	120,000	140,000	200,000	170,000	200,000	200,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	2,000,000
----	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-----------

32	33	34	35	36	INCOME STATEMENT RELATED EXPENSES												37
					120,000	140,000	200,000	170,000	200,000	200,000	220,000	220,000	220,000	220,000	220,000	2,000,000	
					200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	
					200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	
					200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	
37	TOTAL				200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	
38	YTD				200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	

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CONFIDENTIAL

FPL FiberNet LLC
Support for Response to Audit Document/Record Request
Request Dated 8/30/00, No. 8, Item No. 2

1	Revenue	\$2,088,915
2	Less Gross Receipts Tax	(50,949)
3	Subject to Sales & Municipal Tax	\$2,037,966
4		x 15%
5	Sales & Municipal Tax	\$ 305,695

2.5%

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6 Note: The budget reflects an estimate of 7% for Sales tax and 8% for Municipal tax.

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3

FPL FiberNet LLC
Support for Response to Audit Document/Record Request
Request Dated 8/29/00, No. 8, Item No. 2

CONFIDENTIAL

1	Revenue	\$2,088,915
2	Less Gross Receipts Tax	(50,949)
3	Subject to Sales & Municipal Tax	\$2,037,966
4		x 15%
5	Sales & Municipal Tax	<u>\$ 305,695</u>

$\frac{41-1}{2-1}$
3

CONFIDENTIAL

FPL FiberNet LLC
Response to Audit Document / Record Request
Request Dated 8/24/00 No. 5

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- 1 Item #1- April 2000 FiberNet Revenue Not Subjected to Refund of \$49,875.40:
- 2 The amount represents April 2000 dark fiber lease charges and maintenance fees related to an indefeasible
- 3 right of use of certain dark fibers within the Miami metropolitan fiber network granted to Yipes
- 4 Communications, Inc. In order to satisfy the requirements of the contract, additional construction had to be
- 5 completed during 2000. Please see supporting invoice sent to Yipes Communications, Inc.

6 Item #2a – ITC Deltacom Fees:

- 7 Per an agreement between ITC Deltacom and FPL FiberNet, ITC Deltacom markets and bills for fiber
- 8 service on the FPL FiberNet fiber network. For such services, ITC Deltacom withholds fees from the
- 9 monthly remittance of FiberNet's share of fiber service billings. Consistent with historical treatment, such
- 10 fees have been netted against gross revenues for the revenue refund calculation.

11 Item #2b – Deltacom Fees of \$569,889.66:

- 12 Actual Deltacom fees amounted to \$549,209.09 which consisted of an accrual for amounts to be withheld
- 13 from April billings amounting to \$550,895.73 and the net change in fees associated with an accrual of April
- 14 revenue earned but unbilled amounting to \$(1,686.64). Actual amounts withheld from April billings
- 15 amounted to \$547,389.58 and the true-up was recognized during May. Please see supporting invoice and
- 16 bank statement.

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General Mail Facility
Miami, FL 33188-0001

/614101000003085570000418897937518020043410141

B 41919 000010007 4 3 41 01 41
Please mail this portion with your check

Cust. No.: 308557		Inv. No.: 418897	
This Month's Charges Past Due After 04/13/2000		Amount Due This Invoice 208,157.39	

Make check payable to FPL in US funds and mail payment to address below

YIPES COMMUNICATIONS, INC.
MANAGER OF CONTRACTS
1430 LAMMER STREET
SUITE 200
DENVER CO 80202

FPL
GENERAL MAIL FACILITY
MIAMI FL 33188-0001

8 Florida Power & Light Company

Federal Tax ID#: 80-0247775

9 INVOICE

10 Customer Name and Address

11 YIPES COMMUNICATIONS, INC.
12 MANAGER OF CONTRACTS
13 1430 LAMMER STREET
14 SUITE 200
15 DENVER CO 80202

Customer Number: 308557

Invoice Number: 418897

Invoice Date: 03/10/2000

B 41919 000010007 4 3 41 01 41
Please Retain This Portion for your Records

CONFIDENTIAL

16 CURRENT CHARGES AND CREDITS

17 Customer No: 308557 Invoice No: 418897

DESCRIPTION	QUANTITY	PRICE	AMOUNT
FFN - MISCELLANEOUS RECEIVABLE DARK FIBER LEASE CHARGE - FEB (PRO-RATED) AND MAR 2000	1	53,867.56	53,867.56
FFN - MISCELLANEOUS RECEIVABLE DARK FIBER MAINT CHARGE - FEB (PRO-RATED) AND MAR 2000	1	4,863.63	4,863.63
FFN - MISCELLANEOUS RECEIVABLE DARK FIBER LEASE CHARGE - APRIL THROUGH JUNE 2000	1	137,837.59	137,837.59
FFN - MISCELLANEOUS RECEIVABLE DARK FIBER MAINT CHARGE - APRIL THROUGH JUNE 2000	1	11,788.61	11,788.61
Total Amount Due			\$208,157.39
This Month's Charges Past Due After		04/13/2000	

31 For Inquiries Contact:
32 PETER CLAYTON
33 Phone: (303) 552-4475

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$2 \times 1 = 149,626.20$
 $\div 3 \text{ months}$

$\frac{3}{\$49,875.40}$

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Florida Power & Light Company
General Mail Facility
Miami, FL 33188-0001

Payment Coupon

General Mail Facility

/614101000003063230000427770354898212078410141

A B

1/6 B 41010 0000427770 7 8 41 01 41
Please mail this portion with your check

Cust. No.: 306323	Inv. No.: 427770
This Month's Charges Past Due After 06/23/2000	Amount Due This Invoice 2,128,984.53

Make check payable to FPL in US funds and mail payment to address below

3 ITC DELTACOM
4 910 FIRST AVENUE
5 PO BOX 910
6 ATTN: DOUG SHUMATE
7 WEST POINT GA 31833

FPL
GENERAL MAIL FACILITY
MIAMI FL 33189-0001

8 Florida Power & Light Company

Federal Tax ID#: 69-0247776

9 INVOICE

CONFIDENTIAL

10 Customer Name and Address

11 ITC DELTACOM
12 910 FIRST AVENUE
13 PO BOX 910
14 ATTN: DOUG SHUMATE
15 WEST POINT GA 31833

Customer Number: 306323
Invoice Number: 427770
Invoice Date: 06/24/2000

B 41010 0000427770 7 8 41 01 41
Please Retain This Portion for your Records

16 IRRENT CHARGES AND CREDITS

17 Customer No: 306323 Invoice No: 427770

DESCRIPTION	QUANTITY	PRICE	AMOUNT
19 N - MISCELLANEOUS RECEIVABLE 20 GROSS BACKBONE REVENUE	1	2,614,119.11	2,614,119.11
21 N - MISCELLANEOUS RECEIVABLE 22 GROSS METRO-DRIVEN BACKBONE REVENUE	1	62,255.00	62,255.00
23 N - MISCELLANEOUS RECEIVABLE 24 TC SALES COMMISSION AND NETWORK 25 MONITORING FEE	1	-547,389.58	-547,389.58

26 r Inquiries Contact:
27 TER CLAYTON
28 one: (305) 582-4475

Total Amount Due
\$2,128,984.53

This Month's Charges Past Due After 06/23/2000

*ref
2,128,984.53
see p 4
for wire transfer*

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Credit/Debit Detail NBCC - Select Date

1	A	B	C	D	E	F	G
2	DATE	BANK CODE	ACCOUNT NUMBER	BAI CODE	R D	AMOUNT	DESCRIPTIONX
4	05/22/2000	NBCC	3750132076	165	R	5,804.00	DEBT ;DES=Payment ;ID=10699 EFF DATE: 000522;INDN:FLORIDA POWER & LIGHT PMT INFO:426681
5							
6						8,600,000.00	FP&L COMP ;DES=PAYROLL DEP;ID=FL# 20001430463 EFF DATE: 000522;INDN:FLPLIGHB2
7							
8						26,322,000.00	FP&L COMP ;DES=PAYROLL DEP;ID=FL# 20001400442 EFF DATE: 000522;INDN:FLPLIGHB2
9							
10						1,052,126.33	FPL GROUP ;DES=FPL GROUP ;ID=GRPFPLGF EFF DATE: 000522;INDN:FLORIDA POWER & LIGHT PMT INFO:FPL GROUP-
11							
12	or BAI CODE = "165"						
13	Totals:					35,979,930.33	
14	05/22/2000	NBCC	3750132076	195	R	4,800.00	Wire Type: Fed In Date: 000522 Time: 1141 Fed Ref:001465 Orig:SEMPRA ENERGY TRADI Sending Bk:BANK ONE NA CHGO Pmt Det:FLORIDA POWER AND LIGHT COMPANY AC-3750132 076
15							
16							
17						5,071.50	Wire Type: Fed In Date: 000522 Time: 0740 Fed Ref:000296 Orig:9792299001 OGB-KOCH Sending Bk:CHASE NYC Pmt Det:FLORIDA POWER AND LIGHT CO) GENERAL MALL FA CILITY PPC GO MIAMI FL 33188 0001 AC-3750132076 RF
18							
19							
20						13,677.17	Wire Type: Fed In Date: 000522 Time: 0710 Fed Ref:000114 Orig:TRUST OPERATIONS .. Sending Bk:FIRST UNION CHAR Pmt Det:NATIONSBANK OF TEXAS DALLAS AC-3750132076 RFB-0000003300032449 OBI-N O FLORIDA POWER & LIGH
21							
22							
23						2,128,984.53	Wire Type: Fed In Date: 000522 Time: 1222 Fed Ref:000007 Orig:INTERSTATE FIBERNET Sending Bk:FIRST NATIONAL BK Pmt Det:FLORIDA POWER AND LIGHT GEN FUND ACCT FIN ANCIAL ACCT P O BOX 029100 MIAMI FLORIDA 33102 AC
24							
25							
26						14,639,468.89	Wire Type: Fed In Date: 000522 Time: 1448 Fed Ref:003968 Orig:FLORIDA POWER & LIG Sending Bk:CHASE NYC Pmt Det:FLORIDA POWER AND LIGHT COMPANY AC-0000037 50132076 RFB=0005220141143047
27							
28							
29						1,199,277.65	Wire Type: Fed In Date: 000522 Time: 0716 Fed Ref:001191 Orig:ENRON POWER MARKETI Sending Bk:CITIBANK NA Pmt Det:FLORIDA POWER & LIGHT COMPANY AC-375013207 6 LTR OBI=UNIFY 5533914038 0093968961
30							
31							

X 423035
X 426426

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Com. Paper

X 425751 - diff 71632.00
over pl.

CONFIDENTIAL

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P. 4

FPL FiberNet LLC
 Support for Response to Audit Document / Record Request
 Request Dated 8/2/00 No. 4, Item No. 1

CONFIDENTIAL

1 Item #1 - Breakdown of Gross Fiber Revenues of \$10,187,000:

	A	B	C	D	E	F	G
		Jan-00	Feb-00	Mar-00	Apr-00	Total	
2							
3	FiberNet Gross Commercial Revenues	\$2,363,532	\$2,416,028	\$2,514,856	\$2,830,650	\$10,125,066	
4	Marketing Agent Fees	(495,804)	(449,368)	(491,855)	(549,209)	(1,986,036)	
5	FiberNet Commercial Revenues, net	1,867,728	1,966,660	2,023,201	2,281,441	8,139,030	
6	FiberNet Revenue from FPL	570,331	399,112	549,583	569,889	2,088,915	Total from 41-1 2-1 1
7	Total FiberNet Revenues, net	2,438,059	2,365,772	2,572,784	2,851,330	10,227,945	
8	February Adjustment Reflected in March	-	-	(41,046)	-	(41,046)	
9	Revised Fiber Revenues	\$2,438,059	\$2,365,772	\$2,531,738	\$2,851,330	\$10,186,899	

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1/21/00

8. # J

CAAV/IS-M

FPL FIBER NET
COMPARATIVE INCOME STATEMENT
FOR THE MONTH ENDED 1/31/00

CONFIDENTIAL

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D

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THIS MONTH
THIS YEAR
\$

THIS MONTH
LAST YEAR
\$

NET INCREASE/
(DECREASE)
\$

%
CHANGE

6	OPERATING REVENUES:				
7	NON-UTILITY	2,438,058.55	0.00	2,438,058.55	0
8	TOTAL OPERATING REVENUES	2,438,058.55-	0.00	2,438,058.55-	0
9	OPERATING EXPENSES:				
10	UTILITY OPERATIONS:				
11	NON-UTILITY OPERATING EXPENSES	509,144.28	0.00	509,144.28	0
12	DEPRECIATION & AMORTIZATION EXPENSE	321,630.64	0.00	321,630.64	0
13	TAXES OTHER THAN INCOME TAXES	365,286.88	0.00	365,286.88	0
14	TOTAL OPERATING EXPENSES	1,196,061.80	0.00	1,196,061.80	0
15	OPERATING INCOME (LOSS)	1,241,996.75	0.00	1,241,996.75	0
16	INTRST EXP & OTHER (INCOME) DEDUCTNS:				
17	INTEREST ON OTHER LONG-TERM DEBT	0.00	0.00	0.00	0
18	(GAINS) LOSSES-DISP NON-UTIL PROPERTY	0.00	0.00	0.00	0
19	INTEREST (INCOME)	0.00	0.00	0.00	0
20	OTHER (INCOME)/DEDUCTIONS	0.00	0.00	0.00	0
21	TOTAL INTERST EXP & OTHER-NET	0.00	0.00	0.00	0
22	INCOME(LOSS) CONT OPER BFR INC TX	1,241,996.75	0.00	1,241,996.75	0
23	INCOME TAXES:				
24	FEDERAL INCOME TAXES	65,294.24	0.00	65,294.24	0
25	DEFERRED FEDERAL INCOME TAXES	345,569.70	0.00	345,569.70	0
26	TOTAL FEDERAL INCOME TAXES	410,863.94	0.00	410,863.94	0
27	STATE INCOME TAXES	10,857.70	0.00	10,857.70	0
28	DEFERRED STATE INCOME TAXES	57,464.35	0.00	57,464.35	0
29	TOTAL STATE INCOME TAXES	68,322.05	0.00	68,322.05	0
30	TOTAL INCOME TAXES	479,185.99	0.00	479,185.99	0
31	INCOME(LOSS) FROM CONTINUING OPERATIONS	0.00	0.00	0.00	0
32	NET INCOME (LOSS)	762,810.76	0.00	762,810.76	0

441
22
a

a) \$ 2,438,058.55
445,804.48
\$ 2,933,863.03

41-1
2-1
6

*** FPL AI/GL Balance Display ***
FPL FIBER NET

End Time: 16:43:34

Start Time: 16:43:34

TRANSACTION COMPLETE

Basic record:

Rec type: P Year: 2000 Ver: 00 Beg-Per: 01 End-Per: 01
You have selected the following ranges:

06 EAC

FROM: 0966

TO: 0966

11

CONFIDENTIAL

A

B

YTD Amount
\$495,804.48

Net Amount
\$495,804.48

$\frac{41-1}{2-1}$
 $\frac{2-1}{3}$

Seg (903/905) Read: 11
Master (G4000) Read: 11

Not Rt, Yr, Ver, Bypassed:
Summary Records Bypassed:
Master Records Used: 11

*** Next Transaction *** 840

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$\frac{41-1}{2-1}$
 $\frac{2-1}{6}$