

ORIGINAL

STEEL
HECTOR
& DAVIS
INTERNATIONALSM

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Suite 4000
Miami, FL 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

John T. Butler
305.577.2939
jbutler@steelhector.com

May 14, 2004

-VIA OVERNIGHT DELIVERY -

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
MAY 14 AM 11:11
COMMISSION
CLERK

Re: Docket No. 040001-EI

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Revised Request for Confidential Classification of Materials Provided Pursuant to Audit No. 02-340-4-1, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the documents appear is Word 2000. Pursuant to Rule 25-22.006, F.A.C., I am also enclosing one highlighted and two redacted copies of the confidential documents that are the subject of this request.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

CMP _____

COM _____

CTR _____

ECR 1

GCL 1 Enclosure

OPC _____ cc: Counsel for Parties of Record (w/encl.)

MMS _____

RCA _____ MTA2001 284125v1

SCR _____

SEC 1

OTH 1 conf records

Miami West Palm Beach Tallahassee Naples Key West London Caracas São Paulo Rio de Janeiro Santo Domingo

Sincerely,

John T. Butler

DOCUMENT NUMBER-DATE

05592 MAY 14 3

FPSC-COMMISSION CLERK

Audit, Document No. 05849-03 had the entire text of the six audit disclosures redacted.¹ Staff subsequently incorporated the Audit Report into the prefiled testimony of Kathy L. Welch as Exhibit K LW-1. Ms. Welch's prefiled testimony was filed with the Commission Clerk in Docket No. 030001-EI as confidential Document No. 09881-03. The entire text of the six audit disclosures remained redacted in Document No. 09881-03. Subsequently, however, FPL agreed with Staff to reduce the scope of its confidentiality designation for the Audit Report. On October 30, 2003 FPL filed a Request for Confidential Classification of Certain Information From Audit Report Contained in Exhibit K LW-1 to Prefiled Testimony of Kathy L. Welch, which sought confidential classification only of certain salary and employee-related expense information in Disclosure No. 4 of the Audit Report (the "October 30 Request"). The Commission granted the October 30 Request in Order No. PSC-03-1280-CFO-EI, Docket No. 030001-EI, dated November 10, 2003 ("Order No. 03-1280").

3. On April 21, 2004, counsel for Staff wrote the undersigned to advise that Staff perceived certain deficiencies in the July 14 Request (the "Deficiency Letter"). A copy of the Deficiency Letter is attached hereto as Exhibit E. Essentially, the Deficiency Letter questions the need for confidentiality of certain Working Papers in view of the limited scope of FPL's October 30 Request for confidential classification of the Audit Report.

4. The Deficiency Letter raises questions about six specific groups of Working Papers, each of which is addressed below:

a. Working Paper 1, Pages 1 and 2, Audit Disclosure No. 1. FPL agrees that pages 1 and 2 of Working Paper 1 do not need to be classified as confidential.

¹ Staff revised Disclosure No. 1 in the Audit Report and filed it with the Commission Clerk, as Document No. 09908-03.

b. Working Paper 1, Pages 3 through 8. FPL agrees that pages 3-5 and 7-8 of Working Paper 1 do not need to be classified as confidential. FPL further agrees that page 6 of Working Paper 1 does not need to be classified as confidential, except for the salary and employee-related expense information on lines 17 and 18. That information was classified as confidential by Order No. 03-1280.

c. Working Paper 1-1, pages 1-4. FPL agrees that this Working Paper does not need to be classified as confidential.

d. Working Papers 10-16 and 10-23. These Working Papers reflect a series of questions posed to FPL by the Staff auditors. Generally, FPL agrees with Staff that those questions do not need to be classified as confidential. However, the question appearing on lines 17 and 18 of Working Paper 10-16 references two specific purchase-order dollar amounts that are not disclosed in the Audit Report. Similarly, the question appearing on lines 11 - 15 of Working Paper 10-23 references the specific 2002 salaries and wages budget amount for FPL's EMT Division (line 12), which information is not disclosed in the Audit Report. FPL believes that disclosure of the purchase-order information on Working Paper 10-16 and the salaries and wages information on Working Paper 10-23 would impair FPL's competitive interests and/or its ability to contract on favorable terms, and hence continues to request confidential classification for that information.

e. Security Information, Working Paper 43 Series. These Working Papers contain sensitive details about security measures at FPL's power plants. FPL remains very concerned that access to such details could compromise security at the power plants if it got into the wrong hands. In some instances, access to the details also would disclose information about the terms of FPL's contracting for security services, which would impair FPL's competitive

interests and/or its ability to contract on favorable terms. Nothing in the Audit Report discloses the details contained in these Working Papers, so FPL's agreement not to seek confidential classification of the security portions of the Audit Report does not imply that confidential protection of the detailed information in the Working Papers is unnecessary or inappropriate. Therefore, with two exceptions FPL continues to request confidential classification for all of the Working Paper 43 Series. The first exception is Working Paper 43, which FPL agrees does not need to be classified as confidential except for the reference to the power plant names on line 4 (FPL is concerned that disclosure of the plant names would provide inappropriate insight into the location and level of security staffing). The second exception is Working Paper 43-2/1-3/3, which FPL agrees does not need to be classified as confidential except for the discussion of specific security measures for FPL fossil plants on lines 10-14.

f. Hedging Information, Working Paper 45 Series. FPL has reviewed the Working Paper 45 Series and has substantially reduced the amount of information for which confidential classification is requested. However, there are three categories of information in the Working Paper 45 Series that continue to warrant confidential classification. First, FPL has previously agreed that the Audit Report's disclosures of *variances* between budgeted and actual expenditures by EAC group does not need to be classified as confidential. However, certain of the documents in the Working Paper 45 Series also include information on the budgeted and actual EAC Group expenditures themselves. FPL believes that disclosure of detailed EAC Group expenditure information could provide inappropriate insight into FPL's compensation structure and the terms of its contracts with vendors, which would impair FPL's competitive interests and/or its ability to contract on favorable terms. Therefore, FPL continues to request confidential classification for the budgeted and actual EAC Group expenditure information,

except at the “totals” level. Second, Working Paper 45-2/2-1 consists of a series of job-description sheets for positions in FPL’s EMT Division. FPL agrees that most of the information on those sheets can be disclosed, but continues to request confidential classification for the “Pay Grade” entry on each sheet. That information could provide inappropriate insight into compensation for each job description. Finally, there are several verbatim excerpts from FPL’s contracts with vendors included in the Working Paper 45 Series. Disclosure of those contract excerpts would impair FPL’s competitive interests and/or its ability to contract on favorable terms. Therefore, FPL continues to request confidential classification for the verbatim contract excerpts.

5. FPL requests confidential classification of the Working Papers consistent with Paragraph 4 above. The following exhibits, which are included herewith and made a part hereof, document and support this Request:

a. Composite Exhibit A consists of copies of the Working Papers, on which all information that FPL asserts is entitled to confidential treatment has been highlighted. Composite Exhibit A is submitted separately in a sealed folder or carton marked “CONFIDENTIAL.”

b. Composite Exhibit B consists of an edited version of the Working Papers on which all information FPL asserts is entitled to confidential treatment has been redacted.

c. Exhibit C is a table containing a line-by-line and page-by-page identification of the information for which confidential treatment is sought, and, with regard to each document or portions thereof, references to the specific statutory basis or bases for the claim of confidentiality and to the affidavits in support of the requested classification.

d. Exhibit D comprises the affidavits of John Hartzog and Gerard J. Yupp, who attest to the basis for FPL's requesting confidential classification.


6. The information highlighted in Exhibit A is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Once the Commission determines that the information in question is proprietary confidential business information (a) the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information; and (b) the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* §366.093(4), Fla. Stat.

WHEREFORE, for Florida Power & Light Company respectfully requests that this Request be granted.

Respectfully submitted,

R. Wade Litchfield, Esq.
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
Telephone: 561-691-7101

Steel Hector & Davis LLP
Attorneys for Florida Power & Light
Company
200 South Biscayne Boulevard
Suite 4000
Miami, Florida 33131-2398
Telephone: 305-577-2939

By: 
John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE

I, THE UNDERSIGNED COUNSEL, HEREBY CERTIFY that a copy of Florida Power & Light Company's Revised Request for Confidential Classification of Materials Provided Pursuant to Audit No. 02-340-4-1, without exhibits*, has been served via first class mail, postage prepaid, or overnight delivery (***) to the parties listed below, this 13th day of May 2004:

Wm. Cochran Keating, IV, Esq. **
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Attorneys for TECO
P.O. Box 391
Tallahassee, Florida 32302

Robert Vandiver, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399

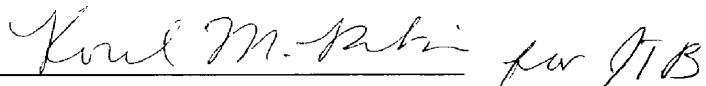
James A. McGee, Esq.
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, Florida 33733

Norman H. Horton, Esq.
Floyd R. Self, Esq.
Messer, Caparello & Self
Attorneys for FPUC
215 South Monroe Street, Suite 701
Tallahassee, Florida 32302-0551

Joseph A. McGlothlin, Esq.
Vicki Gordon Kaufman, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, et al.
Attorneys for FIPUG
117 South Gadsden Street
Tallahassee, Florida 32301

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin,
Davidson, et al.
Attorneys for FIPUG
P. O. Box 3350
Tampa, Florida 33602

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, Florida 32591-2950



John T. Butler

* Exhibits (redacted documents) furnished upon request

Exhibit C

Justification Table

**REVISED 5/14/04
EXHIBIT C**

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Workpapers
AUDIT: FPL, Base Year Costs of Security and Hedging Costs
AUDIT CONTROL NO: 02-340-4-1

FLORIDA
STATUTE
366.093(3)
Subsection: AFFIANT

<u>WKPAPER NO.</u>	<u>DESCRIPTION</u>	<u>NO. OF PAGES</u>	<u>CONF. Y/N</u>	<u>LINE NO./ COL. NO.</u>	<u>FLORIDA STATUTE 366.093(3) Subsection:</u>	<u>AFFIANT</u>
1	Audit Disclosures	8	N Y N	P1 through P5 P6, lines 17-18 P7 through P8	(e)	G. J. Yupp
1-1	Statement of Facts Company Comments	4	N			
9	Internal Audit	7	Y	All	(b), (c)	J. Hartzog
10-16	Document Record Request	1	Y	Lines 17 and 18	(c), (e)	G. J. Yupp
10-23	Document Record Request	1	Y	Line 12	(c), (e)	G. J. Yupp
43	Summary Security	1	Y	Line 4	(c)	J. Hartzog
43-1/3	FINS Security Report	1-18 19	Y N	All	(c)	J. Hartzog
43-1/6	FINS Security Report	1-44 45	Y N	All	(c), (e)	J. Hartzog
43-1/6-3	Sample Item	4	Y	All	(c), (e)	J. Hartzog
43-1/6-5	Sample Item	3	Y	All	(c), (e)	J. Hartzog
43-1/6-5/1	Sample Item	4	Y	All	(c), (e)	J. Hartzog
43-1/6-5/1-1	Sample Item	3	Y	All	(c), (e)	J. Hartzog
43-1/8-1	EAC Selected CV	33	Y	All	(c)	J. Hartzog

43-1/8-1/1	Sample Item	1	Y	All	(c), (e)	J. Hartzog
43-1/8-1/1-1	Sample Item	4	Y	All	(c)	J. Hartzog
43-2/1-3/3	Interrogatories	1	Y	Lines 10-14	(c), (e)	J. Hartzog
45	Hedging Summary	1	N			
45-1/1	Actual 2001	1	Y	P1, Cols C, D, F, lines 6-12, 14-18, 21, 23-29 P1, Cols C, E, F, lines 19-20	(d), (e)	G. J. Yupp
45-2	YTD 2002	2	Y	P1, Cols C, D, F, lines 6-7, 9, 11-12, 16-21, 25-28, 30-31 P1, Cols C, E, F, line 8, 10, 22, 29 P1, Cols D, E, F, line 23 P2, Cols C, D, F, lines 6-7, 9, 11-12, 16-21, 25-28, 30-31 P2, Cols C, E, F, line 8, 10, 22, 29 P2, Cols D, E, F, line 23	(d), (e)	G. J. Yupp
45-2/1	Budget 3 YRS	1	Y	P1, Cols C, D, E, lines 3-4, 6, 8-9, 17-19, 22, 24-27, 29-30 P1, Cols C, E, line 5 P1, Col E, lines 11-13 P1, Cols D, E, line 20 P1, Col C, line 28	(d), (e)	G. J. Yupp
45-2/1-1	Budget Comparison	1	N			
45-2/1-2	Budget Comparison	1	N			
45-2/1-3	Contracts 2001	1	Y	P1, Col B, lines 3-39; 41-46 Col C, lines 3-39, 41-50 Col E, lines 3-13, 41-43; Col F, lines 3-13, 41-43, 47-50	(d), (e)	G. J. Yupp
45-2/1-4	Contracts 2002	1 2	Y Y	P1, Col B, lines 3-27, Col C, lines 3, 28, 30, 31 Col E, lines 4, 23 Col F, lines 23, 30-31 P2, Col B, lines 3-27, Col C, lines 3, 28, 30, 31 Col E, lines 4, 23 Col F, lines 23, 30-31	(d), (e)	G. J. Yupp

45-2/1-4/1	Actuals for 02	1	Y	P1, Col A, lines 5, 10, 17, 22, 27, 29, 31 Col B, lines 5, 10, 17, 22, 27, 31 Col C, lines 5, 10-11, 22, 27	(d), (e)	G. J. Yupp
45-2/1-5	Contracts 2003	1	Y	P1, Col B, lines 3-12, Col C, lines 3-16, Col E, lines 3-5,11, Col F, lines 3-5, 9, 11, 13-16	(d), (e)	G. J. Yupp
45-2/2	Employee List	2	Y	All	(d), (e)	G. J. Yupp
45-2/2-1	Duties	1-36 37	Y N	P1-36, Col A, line 6	(d), (e)	G. J. Yupp
45-2/2-2	Salary Bands	4	Y	All	(d), (e)	G. J. Yupp
45-2/2-3	Incentives	1	Y	All	(d), (e)	G. J. Yupp
45-2/2-4	Incentives	1	Y	All	(d), (e)	G. J. Yupp
45-2/2-5	Incentives	1	N			
45-2/2-5/1	Incentives	1-2 3	N Y	P3, Col A, line 6	(d), (e)	G. J. Yupp
45-2/2-5/2	Incentives	2	N			
45-2/2-5/3	Incentives	1-2 3	N Y	P3, Col A, line 6	(d), (e)	G. J. Yupp
45-2/2-5/4	Incentives	1-2 3-4	N Y	P3-4, Col A, line 6	(d), (e)	G. J. Yupp
45-2/3	2003 YTD	1	Y	P1, Cols C, D, F, lines 6-13, 15-18, 20-27, 29-36	(d), (e)	G. J. Yupp
45-2/3-1	2003 YTD	1	Y	P1, Cols B & C, lines 6-10	(d), (e)	G. J. Yupp
45-2/3-2	Actual vs. Budget 03	1	Y	P1, Cols B, C, D & E lines 7-11	(d), (e)	G. J. Yupp
45-2/4	Actual Payroll 02	1	Y	All	(d), (e)	G. J. Yupp
45-2/4-1	Budget by Salary Bands	1	Y	All	(d), (e)	G. J. Yupp

45-2/5	Organization 01	1	N			
45-2/5-1	Organization 02	5	N			
45-2/5-2	Organization 03	6	N			
45-2/6	Long Term Incentive	1	Y	P1, lines, 1, 3-6; Col B, lines 11-12, Col C, lines 8-12, Col D, lines 11-12, 15, Col E, lines 8-11, 13-14	(d), (e)	G. J. Yupp
45-2/6-1	Long Term Incentives	3	Y	P1, Col A, lines 1-6, Col B, line 7 P2, Cols A - F, lines 1-5, Col A, lines 6-8, 12-13, 15-17, 20-21, 23, Col B, lines 9-12, 14-15, 18-20, 22-23, Lines 24 - 25 P3, Cols B & C, lines 4-42 Col D, lines 16-18	(d), (e)	G. J. Yupp
45-2/6-2	Long Term Incentive	3	Y	P1, Col A, lines 1-19, Col B, lines 5, 8, 12 P2, Col A, lines 1-27 P3, Col A, lines 1-5	(d), (e)	G. J. Yupp
45-2/6-3	Salaries and Wages	1	Y	P1, Col B, lines 2-5, Col C, lines 1, 7 Col D, line 3	(d), (e)	G. J. Yupp
45-2/7	Employee Related Exp.	1	Y	P 1, Cols C, D, lines 1-18,	(d), (e)	G. J. Yupp
45-3	Dec. 03	1	Y	P1, Col C, lines 1-6, 8-10, 12-16, 18-23	(d), (e)	G. J. yupp
45-4/1	Interrogatories	2	Y	P1, lines 10-11 P2, lines 1-2, 14-15, 27-28	(d), (e)	G. J. Yupp
45-4/2	Interrogatories	1	Y	P1, line 11	(d), (e)	G. J. Yupp
45-5	Interrogatories	2	Y	P1, lines 2-4, 6-12 P2, Cols F, H - M, lines 3 - 47	(d), (e)	G. J. Yupp
45-6 p. 2	Interrogatories	1	Y	P1, Cols G, I - N, lines 3, 6, 9, 12 - 17	(d), (e)	G. J. Yupp

45-9	Hedging Actuals	1	Y	P1, lines 3 - 5, 11, 12,15, 16, 19	(d), (e)	G. J. Yupp
45-10	FINS	4	Y	P1, Col A, lines 1 - 27 P2, Col A, lines 1-17, Col A, lines 18-20, Col B, lines 19, 21-22 P3, Col A, lines 1 -21 P4, Col A, line 1	(d), (e)	G. J. Yupp
45-10/1	Contract	3	Y	P1, lines 18 - 21, 23 - 26 P2, lines 5-7, 11-22, 25-26 P3, Cols A & B, lines 1-4	(d), (e)	G. J. Yupp
45-10/2	Contract	3	Y	All	(d), (e)	G. J. Yupp
45-10/2-1	Contract	3	Y	All	(d), (e)	G. J. Yupp

Exhibit D

AFFIDAVITS

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power) DOCKET NO. 040001-EI
Cost Recovery Clause with Generating)
Performance Incentive Factor) DATED: May 12, 2004

STATE OF FLORIDA)
) **AFFIDAVIT OF JOHN HARTZOG**
PALM BEACH COUNTY)

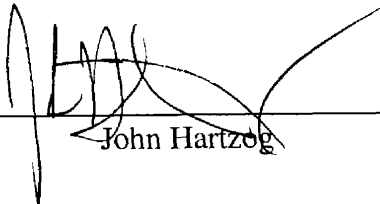
BEFORE ME, the undersigned authority, personally appeared John Hartzog who, being first duly sworn, deposes and says:

1. My name is John Hartzog. I am currently employed by Florida Power & Light Company ("FPL") as Manager of Nuclear Financial and Information Services. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed the documents and information for which I am listed as Affiant in Exhibit C and which are included in Exhibit A to FPL's Revised Request for Confidential Classification of Materials Provided Pursuant to Audit No. 02-340-4-1. The documents and materials that I have reviewed and that FPL asserts in Exhibit C to be proprietary confidential business information, contain or constitute information relating to FPL's security measures, systems and procedures. In addition, certain of those documents and materials (1) relate to FPL's competitive interests, the disclosure of which would impair FPL's competitive business and/or (2) constitute vendor-specific or customer-specific information including contract prices and other contract-related information, disclosure of which would impair the FPL's competitive business interests and its ability to contract on favorable terms. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

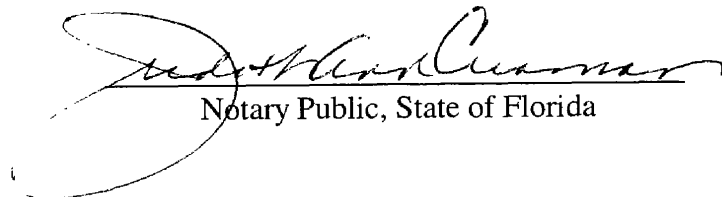
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



John Hartzog

SWORN TO AND SUBSCRIBED before me this 12th day of May, 2004, by John Hartzog, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:

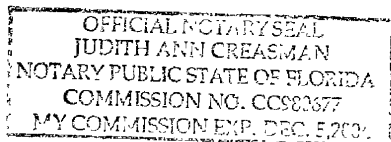


EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power) DOCKET NO. 040001-EI
Cost Recovery Clause with Generating)
Performance Incentive Factor) DATED: May 12, 2004

STATE OF FLORIDA)
MIAMI DADE COUNTY) **AFFIDAVIT OF GERARD YUPP**

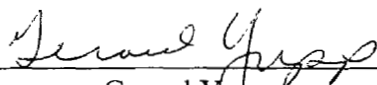
BEFORE ME, the undersigned authority, personally appeared Gerard Yupp who, being first duly sworn, deposes and says:

1. My name is Gerard Yupp. I am currently employed by Florida Power & Light Company ("FPL") as Manager of Regulated Wholesale Power Trading in the Energy Marketing and Trading Division ("EMT"). I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed the documents and information for which I am listed as Affiant in Exhibit C and which are included in Exhibit A to FPL's Revised Request for Confidential Classification of Materials Provided Pursuant to Audit No. 02-340-4-1. The documents and materials that I have reviewed and that FPL asserts in Exhibit C to be proprietary confidential business information, contain or constitute FPL compensation or procurement information, the disclosure of which would impair FPL's competitive interests and/or its ability to contract on favorable terms. Disclosure of this information also would impair the competitive interests of FPL and its contractors. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

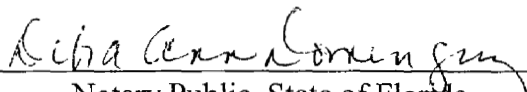
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



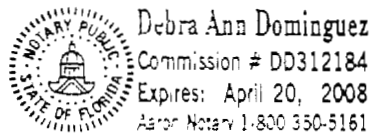
Gerard Yupp

SWORN TO AND SUBSCRIBED before me this 13th day of May, 2004, by Gerard Yupp, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires: April 20, 2008



ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
BRAULIO L. BAEZ, CHAIRMAN
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON



CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Public Service Commission

April 21, 2004

RECEIVED PSC
APR 21 PM 1:37
COMMISSION
CLERK

John T. Butler
Steel Hector & Davis, LLP
Suite 400
200 South Biscayne Blvd.
Miami, Florida 33131-2398

Re: PSC Docket No. 040001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Butler:

On June 23, 2003, at the audit exit conference for the audit entitled "Florida Power & Light Security and Hedging Base Costs for the Year ended December 2002", FPL requested that certain portions of the staff audit report and the working papers be held in a temporary confidential status pursuant to the provisions of Rule 25-22.006(3)(a)2., Florida Administrative Code. On June 30, 2003, staff filed these materials as Document Nos. 05788-03 and 05789-03.

On July 14, 2003, FPL filed a request for confidential classification concerning this material. This request included highlighted (Document No. 06180-03) and redacted information (Document No. 06181-03).

On October 8, 2003, staff modified Disclosure 1 of the audit report, sent a copy of the modification to FPL and filed a confidential copy of Disclosure 1 as Document No. 09908-03.

On October 30, 2003, FPL filed a reduced request for confidentiality for information contained in this "Security and Hedging" audit report which was filed in Exhibit KLV-1 of Kathy L. Welch's testimony (Document No. 10739-03). Order No. PSC-03-1280-CFO-EI, issued November 10, 2003, granted confidentiality to certain portions of the "Security and Hedging" audit report.

AUS _____
CAF _____ While FPL's October 30, 2003, request and Order PSC-03-1280-CFO-EI include the portions
CMP _____ of the "Security and Hedging" audit report that were treated as confidential at hearing and resolved the
COM _____ confidentiality of the utility's response to the audit, there is still the outstanding July 14, 2003, request
CTR _____ regarding confidential classification of certain material in the audit working papers.
ECR _____
GCL _____

OPC _____ We have read the company's request and Order PSC-03-1280-CFO-EI and find the following
MMS _____ perceived deficiencies:
SEC _____
OTH _____

RECEIVED PSC
APR 21 2004
04749 APR 21 2004
PSC - COMMISSION CLERK

1) Working Paper 1, Pages 1 and 2, Audit Disclosure No.1

At the hearing, the updated version of this audit comment was placed in public record. It seems release of a copy of this early audit disclosure would not cause harm to the utility.

2) Working Paper 1, Pages 3 through 8

Information from Working Paper 1, Pages 3 through 8, except small portions for Page 6, Audit Disclosure 4, were placed in the public record for use at the hearing. For consistency, any revised request should be updated to reflect what portions of Working Paper 1 are requested to be confidential.

3) Working Paper 1-1, pages 1-4

Working Paper 1-1, Pages 1-4, describe how summarized amounts within the audit report were calculated. These summarized amounts were disclosed for use at the hearing. If the summarized amounts are public record, please explain why the calculations of these amounts should be granted a confidential classification.

4) Working Papers 10-16 and 10-23

Working Papers 10-16 and 10-23 present questions asked of FPL by the PSC auditors. Does the reduction of information requested confidential by FPL for use at the hearing impact the perceived sensitivity of this material? Please explain why release of this material would cause harm.

5) Security Information, Working Paper 43 Series

For security information contained within the audit report, FPL determined that the audit report disclosures did not need to be designated as confidential. This 2002 security information contained within the working papers should be reviewed again to ensure this information qualifies for a confidential classification.

6) Hedging Information, Working Paper 45 Series

For hedging information contained within the audit report, FPL determined that almost all of the audit report disclosures concerning hedging did not need to be designated as confidential. This 2002 information within the working papers concerning hedging matters should be reviewed again to ensure this information qualifies for a confidential classification.

Since these monies are recovered from the ratepayer, it seems as though general budget and financial information, which does not reveal hedging strategies, would not qualify for a confidential classification. Please explain how disclosure of general financial information would reveal hedging strategies.

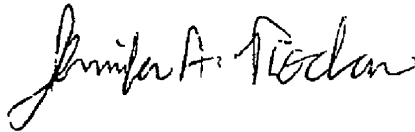
John T. Butler
Page 3
April 21, 2004

Utility Response

FPL may respond to these perceived deficiencies in its July 14, 2003, request by amending its filing to include modifying its request, the redacted copies, or highlighted copies by May 14, 2004; otherwise, a recommendation will be presented to the prehearing officer based on the existing pleadings.

If you have any questions concerning this matter, please call me at (850) 413-6189.

Sincerely,

A handwritten signature in black ink that reads "Jennifer A. Rodan". The signature is written in a cursive style with a large initial "J".

Jennifer A. Rodan
Attorney