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February 24, 2016

**VIA HAND DELIVERY**

Ms. Carlotta S. Stauffer  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
2016 FEB 24 PM 1:54  
COMMISSION  
CLERK

Re: Docket No. 160000-EI

**REDACTED**

Dear Ms. Stauffer:

I enclose for filing in the above docket Florida Power & Light Company's ("FPL's") Request for Confidential Classification. The request includes Exhibits A, B (two copies), C and D.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request Confidential Classification. Exhibit D contains the declaration in support of FPL's Request for Confidential Classification.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Kevin I.C. Donaldson

COM \_\_\_\_\_ Enclosure  
AFD \_\_\_\_\_ cc: Counsel for Parties of Record (w/ copy of FPL's Request for Confidential Classification)

APA Redacted  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Review of Florida Power & Light  
Company's Internal Audit Function

Docket No: 160000-EI

Date: February 24, 2016

**FLORIDA POWER & LIGHT COMPANY'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION OF  
MATERIALS PROVIDED PURSUANT TO AUDIT REPORT PA-15-10-006**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain material provided to the Staff of the Florida Public Service Commission ("Staff") pursuant to Audit Report No. PA-15-10-006 ("the Audit"). In support of this request, FPL states as follows:

1. During the Audit, FPL provided Staff with various confidential documents. By letter dated February 3, 2016, Staff indicated its intent to retain certain audit work papers. Pursuant to Rule 25-22.006(3)(a), FPL was given 21 days from the date of the letter to file a formal request for confidential classification with respect to the work papers. Accordingly, FPL files this Request for Confidential Classification to maintain continued confidential handling of the confidential work papers.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A consists of a copy the confidential documents, on which all information that is entitled to confidential treatment under Florida law has been highlighted.

b. Exhibit B consists of a copy of the confidential documents, on which all the information that is entitled to confidential treatment under Florida law has been redacted.

c. Exhibit C is a table that identifies the specific line, field or page references to the confidential materials for which FPL seeks confidential treatment. The table also

references the specific statutory bases for confidentiality and the affiants who support the requested classification.

d. Exhibit D contains the declaration of Antonio Maceo.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3). This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, 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.

4. As further detailed in the declaration included as Exhibit D, certain documents contain information concerning internal auditing controls and reports of internal auditors. This information is protected by Section 366.093(3)(b), Fla. Stat.

5. Also, certain information in these documents and materials concern FPL's competitive interests, the disclosure of which would impair the competitive business of FPL and its vendors. This information is protected by Section 366.093(3)(e), Fla. Stat.

6. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibit C, is proprietary confidential business information, 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 the above and foregoing reasons, as more fully set forth in the supporting materials and declaration included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,

John T. Butler  
Assistant General Counsel - Regulatory  
Kevin I.C. Donaldson  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408  
Telephone: (561) 304-5170  
Facsimile: (561) 691-7135  
Email: kevin.donaldson@fpl.com

By: \_\_\_\_\_

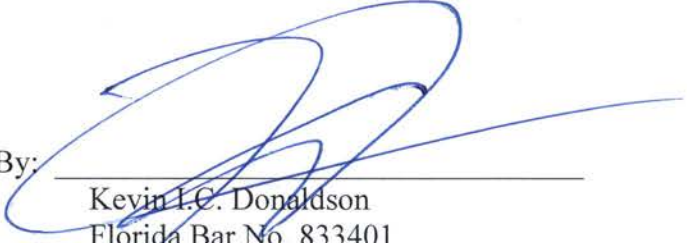
Kevin I.C. Donaldson  
Florida Bar No. 833401

**CERTIFICATE OF SERVICE**  
**Docket No. 160000-EI**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing\* has been furnished by electronic mail on this 24th day of February, 2016 to the following:

David Rich  
Office of Auditing & Performance Analysis  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

By: \_\_\_\_\_

  
Kevin I.C. Donaldson  
Florida Bar No. 833401

\* The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

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**EXHIBIT A**

**CONFIDENTIAL**

**FILED UNDER SEPARATE COVER**

**EXHIBIT B**

**REDACTED COPIES**

1 **2.3 Outsourcing, Resources, and Budgeting**

2 **2.3.1 Internal Audit Budget Process**

3 NextEra IA establishes an annual Internal Auditing budget to fund the auditing process. The  
4 budget is developed in mid-summer for the following calendar year.

5 Exhibit 2 details the IA budgeted and actual spending for FPL during the review period.  
6 Generally, the budget increased from 2010 to 2013 and gradually declined since then.

7 **FPL Internal Auditing Budget  
2010-2015**

8

9 Year	Budget	Actual	Variance	Percent
10 2010	\$2,530,086	\$2,336,709	(\$193,377)	-8
11 2011	\$2,991,363	\$3,076,864	\$85,501	+3
12 2012	\$3,109,382	\$2,996,058	(\$113,324)	-4
13 2013	\$3,288,796	\$2,857,310	(\$431,486)	-13
14 2014	\$3,151,456	\$3,023,732	(\$127,724)	-4
15 2015	\$3,077,651	\$2,861,863	(\$215,788)	-7

15 **EXHIBIT 2**

Source: Document Request 1.12

16 Actual spending followed a slightly different track, increasing substantially (31.7 percent) from  
17 2010 to 2011, gradually declining year to year in 2012 and 2013 (2.6 percent and 4.6 percent  
18 respectively), before rising again (5.8 percent) in 2014, and falling (5.4 percent) in 2015.

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28 **2.3.2 Internal Audit Resources**

29 During the planning process, audit resources are considered as input to the Audit Plan. The Plan  
30 requires review by FPL senior management, and approval of the NextEra Audit Committee and  
31 Board of Directors. During the period 2010 - 2015, NextEra IA performed a total of 378 audits,  
32 consultations and investigations.

33 Exhibit 3 shows audit projects by COSO category for the review period 2010-2015. From a  
34 COSO perspective of IA projects, Operations projects, including audits and reviews of the  
35 effective and efficient use of company resources, were the most frequent (46 percent). The next  
36 largest category was Compliance (28 percent), focusing on whether applicable laws and  
37 regulations are followed. Reporting projects, focusing on the reliability of company reporting,  
38 composed the third largest category of projects (25 percent). Strategic projects, addressing high-



**Office of Auditing and Performance Analysis  
Document Summary and Control Log**

<b>Company:</b> Florida Power & Light Company	<b>Workload Control #:</b> PA-15-07-006
<b>Area:</b> Review of FPL Internal Audit Function	<b>File Name:</b> I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Workpapers\3.3 Document Summaries\3.3.1 DR-1.doc
<b>Auditor(s):</b> D. Rich, L. Fisher	

Document: DR-1.1  
Date Requested: 10/12/15  
Date Received: 11/12/15  
Comments: (i.e., Confidential)

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**Document Title and Purpose of Review:** Please provide a copy of all current FPL Internal Audit (FPL IA) policies and procedures.

**Summary of Contents:** 133 pgs. of IA Procedures including: Governing Documents, Execution Process Manuals, Guidelines and Standards, and Administrative Procedures are provided; The Audit Charter for the Audit Committee of Nextera Energy was provided in pgs. 1-7 of 133; Nextera Energy Internal Auditing Department Charter is included on pgs. 8-10 of 133; The Internal Auditing Guidelines are provided in pgs. 11-133.

**Conclusions:** Written charters for the Nextera Energy Audit Committee and Audit Department are provided; Internal Auditing guidelines and procedures are documented in the Nextera Internal Auditing Department Guidelines. (revision date October 2013)

**Data Request(s) Generated:**  
No. \_\_\_\_\_ Description:  
No. \_\_\_\_\_ Description:

**Follow-up Required:** 1. Was October 2013 last revision date of Auditing Guidelines? 2. How often are audit guidelines reviewed and by whom? 3. How often are revisions updated? 4. Review the charters and guidelines to understand audit planning, tracking and reporting processes and systems.

Document: DR-1.2  
Date Requested: 10/12/15  
Date Received: 11/12/15  
Comments: (i.e., Confidential)

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**Document Title and Purpose of Review:** Please describe the FPL process for planning, managing, implementing, and reporting internal audit activities and services annually.

**Summary of Contents:** Statement of process for planning, managing, implementing, and reporting internal audit activities and services annually (1 pg.);

**Conclusions:**

	1	Attachment 2 is a written charter for NEXTERA ENERGY, INC. Audit Committee of the Board of Directors, last amended 12/10/10; Attachment 3 is a written charter for NEXTERA ENERGY, INC. Audit Committee of the Board of Directors, last amended 12/16/11;
	2	
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	4	Conclusions:
	5	Data Request(s) Generated:
	6	No. _____ Description:
	7	No. _____ Description:
	8	Follow-up Required:
9		Document: DR-1.8
10		Date Requested: 10/12/15
11		Date Received: 11/12/15
12		Comments: (i.e., Confidential)
13		REQUESTED
14		CONFIDENTIAL
	15	- 2010 Internal Audit Plan Scanned.pdf
	16	- 2011 Internal Audit Plan Scanned.pdf
	17	- 2011 Internal Audit Plan.Risk Scanned.pdf
	18	- 2012 Internal Audit Plan Scanned.pdf
	19	- 2013 Internal Audit Plan Scanned.pdf
	20	- 2014 Internal Audit Plan Scanned.pdf
	21	- 2015 Internal Audit Plan Scanned.pdf
	22	- 2015 Internal Audit Plan.Risk Scanned.pdf
	21	There are redacted sections in each document; the company asserts that these are non-FPL.
	22	Conclusions:
	23	Data Request(s) Generated:
	24	No. _____ Description:
	25	No. _____ Description:
	26	Follow-up Required:
27		Document: DR-1.9
28		Date Requested: 10/12/15
29		Date Received: 11/12/15
30		Comments: (i.e., Confidential)
31		REQUESTED
32		CONFIDENTIAL
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	3	Conclusions:
	4	Data Request(s) Generated:
	5	No. _____ Description:
	6	No. _____ Description:
	7	Follow-up Required:
8		Document Title and Purpose of Review: Please describe inter and intra-department relationships and reporting that support efficient and effective completion of planned internal audits and audit objectives.
9		Document: DR-1.10
10		Date Requested: 10/12/15
11		Date Received: 11/12/15
12		Comments: (i.e., Confidential)
13		REQUESTED
14		CONFIDENTIAL
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	25	Conclusions:
	26	Data Request(s) Generated:
	27	No. _____ Description:
	28	No. _____ Description:
	29	Follow-up Required:
30		Document Title and Purpose of Review: Please describe the relationship between FPL IA and external auditors in completing planned audit work, and describe how the decision is made to use external auditors.
31		Document: DR-1.11
32		Date Requested: 10/12/15
33		Date Received: 11/12/15
		Comments: (i.e., Confidential)
35		REQUESTED
36		CONFIDENTIAL
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42 \\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Workpapers\3.3 Document Summaries\3.3.1 DR-1.doc

	1	[REDACTED]
	2	[REDACTED]
	3	Conclusions:
	4	Data Request(s) Generated:
	5	No. _____ Description:
	6	No. _____ Description:
	7	Follow-up Required:
8		Document: DR-1.12
9		Date Requested: 10/12/15
10		Date Received: 11/12/15
11		Comments: (i.e., Confidential)
	12	Document Title and Purpose of Review: For 2010 through 2015 to date and planned for 2016, please provide:
	13	a. Total FPL IA annual budget, by year, separated by regulated vs. non-regulated categories.
	14	b. Total FPL IA actual expenditures, by year.
	15	c. An explanation of each annual budget variance greater than 5 percent.
	16	Summary of Contents: For subparts (a) through (c); see Attachment 1, for 2010 through 2015 to date and planned for 2016, the
	17	total FPL IA annual budget, actual expenditures and explanation of each annual budget variance greater than 5 percent. Note:
	18	Includes only FPL annual budget and actual expenditures.
	19	Conclusions:
	20	Data Request(s) Generated:
	21	No. _____ Description:
	22	No. _____ Description:
	23	Follow-up Required:
24		Document: DR-1.13
25		Date Requested: 10/12/15
26		Date Received: 11/12/15
27		Comments: (i.e., Confidential)
28		Document Title and Purpose of Review: Please describe the standards used by FPL IA to conduct internal audits and
29		investigations.
30		Summary of Contents:
31		FPL states that IA uses the following standards to conduct internal audits and investigations:
32		• IA follows International Standards for the Professional Practice of Internal Auditing (Standards) of The Institute of
33		Internal Auditors (IIA). [REDACTED]
34		[REDACTED]
35		[REDACTED]
36		[REDACTED]
37		[REDACTED]

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	1 2 3	[REDACTED]
	4	Conclusions:
	5	Data Request(s) Generated:
	6	No. _____ Description:
	7	No. _____ Description:
	8	Follow-up Required:
9 10 11 12		Document: DR-1.14 Date Requested: 10/12/15 Date Received: 11/12/15 Comments: (i.e., Confidential)
		Document Title and Purpose of Review: Please provide a copy of all standards+ currently adhered to by FPL IA.
		Summary of Contents: Internal Auditing (IA) follows the International Standards for the Professional Practice of Internal Auditing (Standards) of The Institute of Internal Auditors (IIA).The standards have been downloaded from the IIA website. (See Attachment No. 1).
	13	Conclusions:
	14	Data Request(s) Generated:
	15	No. _____ Description:
	16	No. _____ Description:
	17	Follow-up Required:
18 19 20 21 22 23		Document: DR-1.15 Date Requested: 10/12/15 Date Received: 11/12/15 Comments: (i.e., Confidential) REQUESTED CONFIDENTIAL
		Document Title and Purpose of Review: Please provide a copy of FPL corporate annual IA goals and objectives for each year 2010-2015.
		Summary of Contents: FPL provided confidential Attachment Nos. 1-6, copies of company corporate annual Internal Audit (IA) goals and objectives for each year 2010-2015
	24	• 2010 Internal Audit Indicators Redacted.pdf,
	25	• 2011 Internal Audit Indicators Redacted.pdf,
	26	• 2012 Internal Audit Indicators Redacted.pdf,
	27	• 2013 Internal Audit Indicators Redacted.pdf,
	28	• 2014 Internal Audit Indicators Redacted.pdf, and
		• 2015 Internal Audit Indicators as of 09.30.15 Redacted.pdf
	29	The company asserts that redacted sections in the documents are non-FPL.
	30	Conclusions:
	31	Data Request(s) Generated:
	32	No. _____ Description:
	33	No. _____ Description:
	34	Follow-up Required:
35 36 37 38		Document: DR-1.16 Date Requested: 10/12/15 Date Received: 11/12/15 Comments: (i.e., Confidential)
		Document Title and Purpose of Review: Please describe how FPL IA performance is
		a. Monitored
		b. Tracked
		c. Reviewed / Verified
	39	d. Reported

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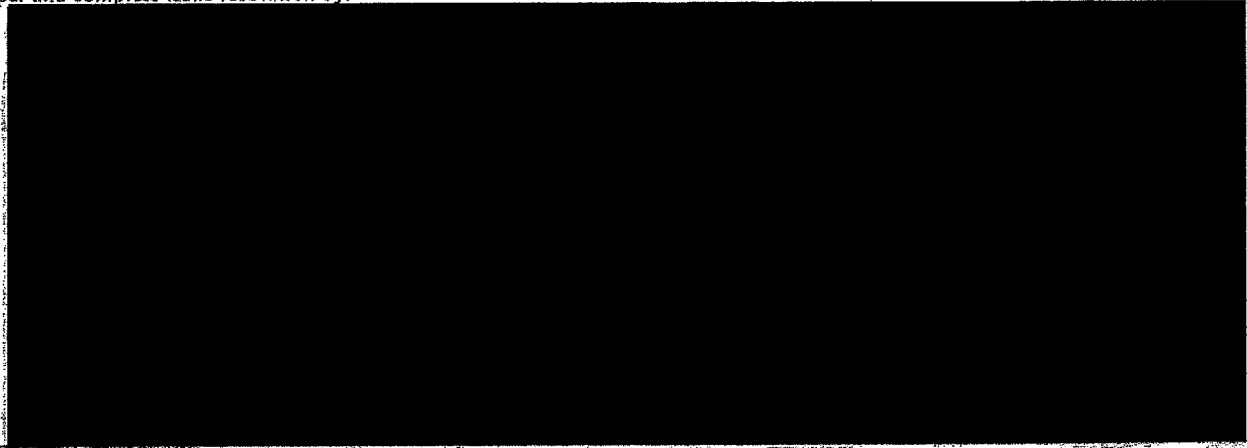
42 PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Worksheets\3.3 Document Summaries\3.3.1 DR-1.doc

	1	In the attachments, "utility" means FPL or "non-utility" means non-FPL.
	2	Conclusions:
	3	Data Request(s) Generated:
	4	No. _____ Description:
	5	No. _____ Description:
	6	Follow-up Required:
7 8 9 10 11 12 13		Document: DR-1.18 Date Requested: 10/12/15 Date Received: 11/12/15 Comments: (i.e., Confidential)
		Document Title and Purpose of Review: a. Please provide a copy of the 2014 and 2015 FPL risk universe. b. Please explain how FPL addresses risk in developing its annual audit plan.
		Summary of Contents: a. See FPL's response to DR-1.8 for the 2014 and 2015 FPL risk universe
		REQUESTED CONFIDENTIAL
	14 15 16 17 18 19 20	[REDACTED]
	21	See FPL's response to DR No. 1, (Section 2.1 Audit Plan Approach Manual) Pages 11-13 (of 133) for details.
	22	Conclusions:
	23	Data Request(s) Generated:
	24	No. _____ Description:
	25	No. _____ Description:
	26	Follow-up Required:
27 28 29 30 31 32 33		Document: DR-1.19 Date Requested: 10/12/15 Date Received: 11/12/15 Comments: (i.e., Confidential)
		Document Title and Purpose of Review: Please describe how FPL IA evaluates and determines the proper percentage or mix of audits devoted to operations, regulatory compliance, and those requested by FPL management.
		Summary of Contents:
		REQUESTED CONFIDENTIAL
	34	Conclusions:
	35	Data Request(s) Generated:
	36	No. _____ Description:
	37	No. _____ Description:
	38	Follow-up Required:

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	1	Conclusions:
	2	Data Request(s) Generated:
	3	No. _____ Description:
	4	No. _____ Description:
	5	Follow-up Required: 1. How often are external auditors or audit partners used to augment staff? 2. What percentage of IA work does this represent annually during the period? 3. How does FPL respond to planned and unplanned need for external auditors?
7	6	Document Title and Purpose of Review: Please describe how recommendations and/or findings are reported, characterized for severity, and how thorough follow-up by FPL IA or others is conducted to ensure proper and complete issue resolution.
8		Document: DR-1.23
9		Date Requested: 10/12/15
10		Date Received: 11/12/15
11		Comments: (i.e., Confidential)
12		Summary of Contents:
13		Recommendations and/or findings are reported, characterized for severity, and followed-up by Internal Auditing (IA) to ensure proper and complete issue resolution by:
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	28	Conclusions:
	29	Data Request(s) Generated:
	30	No. _____ Description:
	31	No. _____ Description:
	32	Follow-up Required:
33		Document Title and Purpose of Review: Please describe steps FPL IA takes to ensure internal auditors remain objective and unbiased.
34		Document: DR-1.24
35		Date Requested: 10/12/15
36		Date Received: 11/12/15
		Comments: (i.e., Confidential)
	37	Summary of Contents: Internal Auditing (IA) considers the following to ensure that internal auditors are objective and unbiased:
	38	<input type="checkbox"/> IA management staffs each audit deliberately to ensure appropriate skill set(s) are included and the objectivity concerns would be identified at the onset of each audit
	39	<input type="checkbox"/> If IA management is aware that an internal auditor is being considered for a position within the company or his/her spouse works in a separate department within the company, that auditor will not be assigned to audits of that area during that time to maintain independence in both actuality and appearance
	40	<input type="checkbox"/> Internal auditors are almost exclusively hired from outside, large (e.g., 'Big 4') accounting firms, thereby minimizing the risk of impaired independence if they transfer in to IA from another department
	41	<input type="checkbox"/> To provide organizational independence, the Vice-President (VP) of IA reports to the Chief Executive Officer and President of
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	1	IA follows a Competency Assessment Model, which outlines the core competencies for auditors. Refer to FPL response to DR-1
	2	Attachment 1 Section 4.2.1 Competency Assessment Model Pgs 93-98 of 133.
	3	Conclusions:
	4	Data Request(s) Generated:
	5	No. _____ Description:
	6	No. _____ Description:
	7	Follow-up Required: 1. What are the number of auditors at each level? 2. Does IA attempt to maintain specific levels of each level of auditor? 3.
9		Document: DR-1.26
10		Date Requested: 10/12/15
11		Date Received: 11/12/15
12		Comments: (i.e., Confidential)
13		REQUESTED
14		CONFIDENTIAL
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	20	Document Title and Purpose of Review: Please describe how FPL IA reviews and trends audits and audit findings.
	21	Summary of Contents:
	22	Internal Auditing (IA) reviews trends and audit findings in the following ways:
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	24	
	25	Conclusions:
	26	Data Request(s) Generated:
	27	No. _____ Description:
	28	No. _____ Description:
	29	Follow-up Required:
30		Document: DR-1.27
31		Date Requested: 10/12/15
32		Date Received: 11/12/15
33		Comments: (i.e., Confidential)
34		REQUESTED
35		CONFIDENTIAL
	36	Document Title and Purpose of Review: Please provide any FPL Quality Assurance reviews or external audits of FPL IA completed 2010 thru 2015 to date.
	37	Summary of Contents:
	38	See confidential Attachment No. 1 for a copy (enclosed with his reply) of NextEra Energy Inc. External Quality Assessment of Internal Audit Services (performed by Ernst & Young LLP) and confidential Attachment No. 2 for the Internal Audit Self-Assessment Review (12/20/13).
	39	Conclusions:
	40	Data Request(s) Generated:
	41	No. _____ Description:
	42	No. _____ Description:
	43	Follow-up Required:
44		Document: DR-1.28
45		Date Requested: 10/12/15
46		Date Received: 11/12/15
47		Comments: (i.e., Confidential)
	48	Document Title and Purpose of Review:
	49	For each year 2010 through 2015 to date, please provide:
	50	a. The number of audits by COSO category (Compliance, Operations, Reporting, Strategic)
	51	b. The percent of each category to the overall FPL annual audit plan.
	52	Summary of Contents:
	53	FPL does not normally categorize its audits utilizing the COSO categories; see Attachment 1 for FPL's response to the number and percent of audits by COSO category from 2010 to 2015 utilizing the COSO categories. The number and percent of audits by COSO

43 Division of Regulatory Compliance

44 Bureau of Performance Analysis

45 \\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Workpapers\3.3 Document Summaries\3.3.1 DR-1.doc



	1	category includes all FPL plus Corporate audits of shared services.
	2	Conclusions:
	3	Data Request(s) Generated:
	4	No. _____ Description:
	5	No. _____ Description:
	6	Follow-up Required:
7		Document: DR-1.29
8		Date Requested: 10/12/15
9		Date Received: 11/12/15
10		Comments: (i.e., Confidential)
	11	Document Title and Purpose of Review: For each year 2010 through 2015 to date, please provide a breakdown of audit expenditures:
	12	a. Committed to each COSO category (Compliance, Operations, Reporting, Strategic)
	13	b. By percent, each COSO category of the overall annual FPL audit budget.
	14	Summary of Contents: See Attachment 1 for FPL's response to the breakdown of audit expenditures and percentage, committed to each COSO category from 2010 to 2015. The response shows the cost (number of hours actually incurred by the audit teams associated with each audit multiplied by the applicable internal hourly audit estimate of [REDACTED] for 2010, and [REDACTED] from 2011 through 2015), which is how Internal Auditing estimates a cost for each audit to request the Business Unit to rate the value of the audit. The audit expenditures and percentage committed to each COSO category includes all FPL plus Corporate audits of shared services.
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	16	Conclusions:
	17	Data Request(s) Generated:
	18	No. _____ Description:
	19	No. _____ Description:
	20	Follow-up Required:
21		Document: DR-1.30
22		Date Requested: 10/12/15
23		Date Received: 11/12/15
24		Comments: (i.e., Confidential)
	25	Document Title and Purpose of Review: Please provide separately, the total annual FPL IA auditor FTEs and the total annual contracted external auditor (outside auditor) FTEs, for the period 2010 through 2015 to date.
	26	Summary of Contents: IA FTEs varies at year-end due to annual turnover; See Attachment 1 (Year-end Headcount) for details of FTEs by year. IA has from time to time used outside firms (e.g., Experis) to assist with projects (e.g., nuclear cost recovery audits); however, their work is performed under our direction. The annual contractor external auditor equivalent is less than 1 actual FTE. FPL IA auditor FTEs are for the total enterprise.
	27	Conclusions:
	28	Data Request(s) Generated:
	29	No. _____ Description:
	30	No. _____ Description:
	31	Follow-up Required:
32		Document: DR-1.31
33		Date Requested: 10/12/15
34		Date Received: 11/12/15
35		Comments: (i.e., Confidential)
	36	Document Title and Purpose of Review: Please describe the interaction of FPL IA and Ethics/Corporate Compliance organizations, including any efforts to review or investigate Ethics Line reports.
	37	Summary of Contents: The company's Ethics Hotline is managed by Global Compliance, a third party provider. [REDACTED]
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42 Division of Regulatory Compliance

43 Bureau of Performance Analysis

44 I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Workpapers\3.3 Document Summaries\3.3.1 DR-1.doc

1	[REDACTED]
2	[REDACTED]
3	<b>Conclusions:</b>
4	<b>Data Request(s) Generated:</b>
5	No. _____ Description:
6	No. _____ Description:
7	<b>Follow-up Required:</b>

88

Division of Regulatory Compliance

Bureau of Performance Analysis

\\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Internal Audit Reviews\FPL Internal Audit Review\3.0 Workpapers\3.3 Document Summaries\3.3.1 DR-1.doc

## Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company (FPL) Area: Internal Audit Auditor(s): D. Rich/L. Fisher	Interview Number: IVS-1 File Name:
---	---------------------------------------

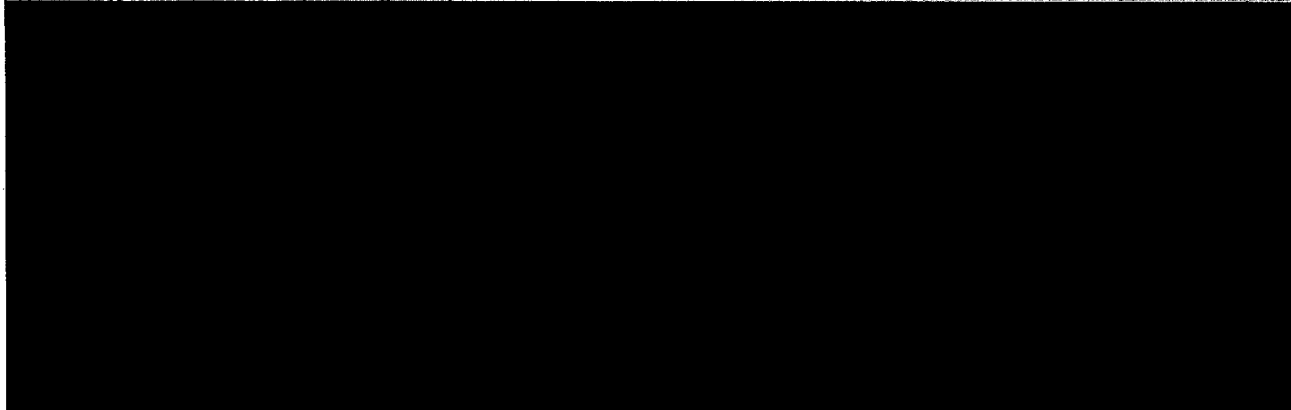
Name: Kate Stengle- VP Internal Audit, NextEra, Energy, Inc.; Anthony Maceo- Auditing Manger	Date of Interview: 12/8/15 Location: Miami General Office Bldg. Telephone Number:
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(1) Purpose of Interview: To understand the NextEra Internal Audit processes, systems, and controls for planning, managing, and implementing internal audits, investigations, and consultations for Florida Power & Light Company (FPL). Additionally, to understand the IA organizational and reporting structure within NextEra, and the IA reporting interface with the Audit Committee of the NextEra Board of Directors.

(2) Interview Summary:

a. Written charters for Internal Auditing are reviewed and revised regularly to ensure the charter reflects the organization and current duties of the IA organization. The NextEra Energy, Inc. Audit Committee of the Board of Directors Charter is reviewed annually and revised as needed. The Corporate Secretary and General Counsel are responsible for ensuring the charter remains current. The Internal Audit Committee Charter is currently being revised and will be available soon. IA Auditing Guidelines are reviewed as necessary and were overhauled in the last few years. The guidelines are scheduled to be reviewed for revision in 2016 per the VP IA. The Internal Auditing organization prior to 2014 reported to the Senior Vice President Internal Auditing and Compliance (SVP IA and Compliance). In 2014 the SVP retired and that position was deleted. Since that time the VP IA has directed Internal Auditing and the Corporate Compliance function was moved to the Legal Department. The Legal Department now reports compliance issues to the BOD through the Corporate Secretary.

b. The Vice President of Internal Auditing (VP IA) reports to the Chief Executive Officer of NextEra and the Audit Committee of the Board of Directors. The Internal Audit organization reports to the VP IA, and completes internal audits, investigations, and consultative reviews for NextEra regulated and non-regulated subsidiaries, including Florida Power & Light Company. The IA organization consists of between 28-32 auditors reporting to one of three Audit Managers under the VP IA. Each of the three managers is responsible for auditing specific business units, and must share resources to complete needs identified in the Annual Audit Plan, as well as management requests, and other unplanned audits during the year. Auditors complete assigned projects of three general types: audits/reviews, investigations, and consultations.



e. IA department goals center around the Annual Auditing Plan; goals and objectives reflect the Audit Plan and are designed to ensure the audit plan is executed to obtain projected results. Goals and objectives are submitted and must be approved by the NextEra Audit Committee and Board. The VP IA noted that the goals and objectives for 2016 have just been completed. One of the objectives of the IA Department is to introduce talent to the company. Internal Auditing is a talent pool for prospective business unit and management opportunities. The experience and business operations information learned from auditing is useful to training prospective talent for the company. NextEra has successfully used Internal Auditing to train talent and infuse new blood into the organization.

e. Team Success Objectives (TSOs) are used to accurately measure components of audit timing, cost and budget, and value ratings from the business unit, for each audit. The TSO ratings are captured at the end of each audit and measure how well the audit met objectives. As a group measurement TSOs are measured annually, and assessed at midyear by IA Managers.

f. The President of FPL, General Counsel, CFO and CEO all meet with the VP IA in separate meetings before completing the Annual Audit Plan and receiving final approval. The VP IA meets with VPs from the corporate business units and receives input to the Plan.

g. The Corporate Ethics Hot Line is a source of anonymous employee third-party concerns regarding potential fraud, conflict of interest, and unethical behavior.

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i. RBIA (Risk Based Integrated Auditing) was used by NextEra IA prior to the implementation of the current PAWS work paper system in 2012. Currently all audit work papers completed prior to 2012 must be reviewed in RBIA, and those completed after 2012 must be reviewed in PAWS. RBIA is based on Lotus Notes and adopted for use by the IA department for housing work papers prior to 2012. PAWS is an off-the shelf audit program with some customization, but was designed for audit organizations. Retained audit work papers in RBIA should be fully transitioned by 2019, when all audit work papers will reside in PAWS. The rights to information in PAWS are controlled, providing managers greater access to management information tools than auditors.

(3) Conclusions:

(4) Date Request(s) Generated:

(5) Follow-up Required:  
1. Provide copies of all NextEra Audit Committee charter changes made during 2015.

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Project Manager

Audit Reports

A B C

	Audit Committee Summary	Number	Audit Name
2	1Q2010	8	
3	1Q2010	✓ 12	
4	2Q2010	3	
5	2Q2010	13	
6	3Q2010	2	
7	3Q2010	4	
8	4Q2010	3	
9	4Q2010	13	
10	1Q2011	5	
11	1Q2011	9	
12	2Q2011	1	
13	2Q2011	8	
14	3Q2011	4	
15	3Q2011	15	
16	4Q2011	7	
17	4Q2011	8	
18	1Q2012	1	
19	1Q2012	8	
20	2Q2012	4	
21	2Q2012	19	
22	3Q2012	1	
23	3Q2012	3	
24	4Q2012	2	
25	4Q2012	9	
26	1Q2013	2	
27	1Q2013	10	
28	2Q2013	3	
29	2Q2013	18	
30	3Q2013	7	
31	3Q2013	13	
32	4Q2013	4	
33	4Q2013	11	
34	1Q2014	1	
35	1Q2014	3	
36	2Q2014	15	
37	2Q2014	16	
38	3Q2014	1	
39	3Q2014	4	
40	4Q2014	1	
41	4Q2014	6	
42	1Q2015	3	
43	1Q2015	6	
44	2Q2015	12	
45	2Q2015	16	
46	3Q2015	4	
47	3Q2015	6	

RBH

FAW

Start Dates of Requested Audits

PAWS

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	Audit Committee Summary	Number	Audit Name	Engagement Reference Number	Start Date
3	1Q2012	8		FPL-OPS-TS-00-2012-0001	1/31/2012
4	2Q2012	4		FPL-OPS-DI-00-2012-0002	3/1/2012
5	2Q2012	19		NEE-FIN-RM-00-2012-0002	5/1/2012
6	3Q2012	1		FPL-OPS-CS-00-2012-0001	5/29/2012
7	3Q2012	3		NEE-NUC-EX-00-2012-0001	6/15/2012
8	4Q2012	2		FPL-OPS-CS-00-2012-0004	6/19/2012
9	4Q2012	9		NEE-IM-OP-00-2012-0001	4/1/2012
10	1Q2013	2		FPL-OPS-CS-00-2013-0001	1/10/2013
11	1Q2013	10		NEE-FIN-RM-00-2013-0002	1/10/2013
12	2Q2013	3		NEE-IM-PA-00-2012-0001	10/1/2012
13	2Q2013	18		FPL-OPS-DI-00-2013-0010	2/26/2013
14	3Q2013	7		NEE-NUC-EX-00-2013-0007	7/25/2013
15	3Q2013	13		FPL-EMT-TO-00-2013-0001	7/5/2013
16	4Q2013	4		NEE-ECC-EC-00-2012-0003	8/2/2013
17	4Q2013	11		FPL-OPS-TS-00-2013-0002	6/24/2013
18	1Q2014	1		FPL-FIN-AC-00-2014-0002	1/6/2014
19	1Q2014	3		FPL-OPS-CS-00-2013-0006	11/20/2013
20	2Q2014	15		NEE-NUC-EX-00-2014-0002	1/15/2014
21	2Q2014	16		FPL-OPS-DI-00-2014-0002	1/17/2014
22	3Q2014	1		FPL-OPS-DI-00-2014-0004	5/19/2014
23	3Q2014	4		NEE-HR-TA-00-2013-0002	5/12/2014
24	4Q2014	1		FPL-OPS-DI-00-2013-0006	6/4/2014
25	4Q2014	6		NER-CRM-IM-00-2014-0003	10/1/2014
26	1Q2015	3		FPL-OPS-DI-00-2014-0009	12/11/2014
27	1Q2015	6		FPL-OPS-TS-00-2014-0001	1/9/2015
28	2Q2015	12		NEE-NUC-EX-00-2014-0011	1/5/2015
29	2Q2015	16		NEE-FIN-FI-00-2015-0002	1/6/2015
30	3Q2015	4		NEE-IM-CORP-00-2015-0011	5/15/2015
31	3Q2015	6		NEE-NUC-EX-00-2013-0017	4/21/2015

# **EXHIBIT C**

## **JUSTIFICATION TABLE**

**EXHIBIT C**

**COMPANY:** Florida Power & Light Company  
**TITLE:** List of Official Workpapers  
**AUDIT:** Review of Florida Power & Light Company's Internal Audit Function  
**AUDIT CONTROL NO:** PA-15-10-006

Description	No. of Pages	Conf. Y/N	Line No./ Col No.	Florida Statute 366.093(3) Subsection	Affiant
Cover page	1	N			
Table of Content	1	N			
1.0 Administrative	1	N			
1.1 Workload Control Form	2	N			
1.2 Workplan	10	N			
1.3 Initiation Letter	3	N			
1.4 Draft Transmittal Letter	2	N			
1.5 Final Report Transmittal Letter	1	N			
1.6 Internal Distribution E-Mail	1	N			
1.7 Other Company Correspondence	3	N			
1.8 Company contacts	2	N			
2.0 Report	14	N	Pgs. 1-10		
		Y	Pg. 11, Lns. 19-27	(b)	A. Maceo
		N	Pgs.12-14		
3.0 Workpapers	1	N			
3.1 Document Requests	1	N			
3.1.1 DR 1	6	N			
3.1.2 DR 2	2	N			
3.3 Document Summaries	1	N			
3.3.1 DR 1 document Summary & Control Log	16	N	Pg. 1		
		Y	Pg. 2, Lns. 23a, 24, 25a, 26a, 27-38	(b)	
		N	Pg. 3-4		
		Y	Pg. 5, Lns. 33-39	(b)	
		Y	Pg. 6, Lns. 1-2, 15-24, 32a, 33a, 34, 35a, 36a, 37-39	(b)	
		Y	Pg. 7, Lns. 1-2, 25a, 26-37	(b)	A. Maceo
		Y	Pg. 8, Lns. 1-3	(b)	
		N	Pg. 9		
		Y	Pg. 10, Lns. 11a, 12a, 13a, 14-20, 30a, 31, 32a, 33a, 34	(b)	
		N	Pg. 11		



Description	No. of Pages	Conf. Y/N	Line No./ Col No.	Florida Statute 366.093(3) Subsection	Affiant
		Y	Pg. 12, Lns. 12a, 13a, 14-27	(b)	
		N	Pg. 13		
		Y	Pg. 14, Lns. 13, 14a, 15a, 16-19	(b)	
		Y	Pg. 15, Lns. 13a, 3b, 34a, 35a, 36-41	(e) (b)	
		Y	Pg. 16 , Lns. 1-2	(b)	
3.3.2 DR 2 Document Summary & Control Log	2	N			
3.4 Interview Schedule	1	N			
3.4.1 Interview Questions	7	N			
3.5 Interview Summaries	3	N	Pg. 1		
		Y	Pg. 2, Lns. 29a, 30-44, 57a, 58-59	(b)	A. Maceo
		Y	Pg. 3, Lns. 1-6	(b)	
3.6 Analysis & Sampling	3	N	Pg. 1		
		Y	Pg. 2, Col. C, except Lns. 1-2	(e)	A. Maceo
		Y	Pg. 3, Col. C, except Lns. 1-2	(e)	
3.7 Findings	1	N			
3.8 Miscellaneous	1	N			

**EXHIBIT D**

**DECLARATION**

**FIRST REVISED EXHIBIT D**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Review of Florida Power & Light  
Company's Internal Audit Function

Docket No: 160000-EI

STATE OF FLORIDA            )  
  )  
COUNTY OF MIAMI-DADE    )

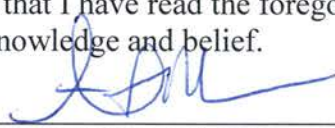
**WRITTEN DECLARATION OF ANTONIO MACEO**

1. My name is Antonio Maceo. I am currently employed by Florida Power & Light Company ("FPL") as Manager, Internal Auditing. I have personal knowledge of the matters stated in this written declaration.

2. I have reviewed the documents referenced and incorporated in FPL's Request for Confidential Classification of Information Obtained in Connection with Audit Report No. PA-15-10-006. The documents or materials that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute internal auditing controls, processes, reports or notes of internal auditors, or information relating to internal auditing reports issued between 2010 - 2015. Full and frank disclosure of information to the Internal Auditing department is essential for the department to fulfill its role, and the confidential status of internal auditing scope, process, controls findings, and reports supports such disclosure. The release of information related to reports of internal auditors would be harmful to FPL and its customers because it may affect the effectiveness of the Internal Auditing department itself. Additionally, the documents and materials that I have reviewed also include information relating to standard hourly internal auditor rates used to determine audit cost. Public disclosure of this information would impair FPL's competitive business. 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 not less than 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. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated in it are true to the best of my knowledge and belief.



ANTONIO MACEO

Date: 2/22/16