



FPL

Writer's Direct Dial:
(561) 691-7101

R. Wade Litchfield
Senior Attorney
Florida Authorized House Council
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-7103 (Facsimile)

October 30 1998

RECEIVED-FPSC

98 OCT 30 AM 10:26

RECORDS AND
REPORTING

VIA HAND DELIVERY

ORIGINAL

Ms. Blanca S. Bayò
Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: **Florida Power & Light Company's Request for
Confidential Classification of Certain Material
Provided in Connection with the Review of
1996 Earnings;
Audit Control No. 97-125-4-1; Docket No. 971298-EI**

Dear Ms. Bayò:

I enclose and hand you herewith for filing in the above-referenced matter, an original and fifteen (15) copies of Florida Power & Light Company's ("FPL") Second Amended Request for Confidential Classification. The original includes Second Amended Exhibits C and H, First Amended Exhibit F, and Exhibits I, J, and K.

The fifteen copies include only Second Amended Exhibit C, First Amended Exhibit F, and Exhibits J and K.

Please do not hesitate to contact me should you have any questions regarding this filing.

Respectfully submitted,

R. Wade Litchfield

RWL/bjw
Enclosures

** H is the diskette version of C. (See p. 3 of the request.)
** I is the confidential document.*

DOCUMENT NUMBER DATE
98 OCT 30 11:24
RECORDS AND REPORTING

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

ORIGINAL

In the Matter of Florida Power & Light)	
Company's Request for Confidential)	DOCKET NO. 971298-EI
Classification in the Review)	
of 1996 Earnings;)	FILED: October 30, 1998
Audit Control No. 97-125-4-1)	

**SECOND AMENDED REQUEST FOR CONFIDENTIAL CLASSIFICATION
OF MATERIAL PROVIDED DURING THE REVIEW OF 1996 EARNINGS**

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and, pursuant to section 366.093 of the Florida Statutes and section 25-22.006 of the Florida Administrative Code, submits its Second Amended Request for Confidential Classification of Material Provided During the Review of 1996 Earnings.

FPL states as follows:

1. Petitioner's name and address are:

Florida Power & Light Company
P.O. Box 029100
Miami, Florida 33102-9100

Orders, notices, or other pleadings related to this request should be served on:

William G. Walker, III
Vice President
Florida Power & Light Company
215 South Monroe Street
Suite 810
Tallahassee, FL 32301-1859
(850) 224-7595

R. Wade Litchfield
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Building D-3800
Juno Beach, FL 33408-0420
(561) 691-7101

DOCUMENT NUMBER-DATE

12139 OCT 23 88

FPLC-RECORDS/REPORTING

2. On October 20, 1997, FPL filed with the Florida Public Service Commission ("FPSC") its Request for Confidential Classification of Certain Material Obtained During the Review of 1996 Earnings, Audit Control No. 97-125-4-1 ("1996 Earnings Audit"). FPL's initial filing consists of the Request for Confidential Classification and Exhibits A through H.

3. On March 10, 1998, FPL filed its First Amended Request for Confidential Classification of Certain Material Obtained During the Review of 1996 Earnings. FPL's March 10 filing consists of its amended request and Exhibits A through H. Exhibits A and B contain the Deloitte & Touche Work papers for which FPL seeks confidential classification. Exhibits C and H were modified to reflect changes in FPL's request for confidential classification relative to the Deloitte & Touche work papers, Exhibits D, E, F, and G were unaltered from FPL's October 20, 1997 filing. Exhibits A and B of the October 20, 1997 filing were unaltered except with respect to the Deloitte & Touche work papers.

4. Upon further review of the materials for which FPL has sought confidential treatment, FPL hereby submits its Second Amended Request for Confidential Classification of Material Provided During the Review of 1996 Earnings.

5. Except as expressly noted below, FPL incorporates herein by reference its October 20, 1997 Request for Confidential Classification, including all exhibits thereto, as amended by its March 10, 1998 filing.

6. Second Amended Exhibit C, included herewith and made a part hereof, replaces First Amended Exhibit C of the March 10, 1998 filing. Second Amended Exhibit C has been revised to indicate that FPL is no longer requesting confidential classification for certain work

papers. The work papers for which confidential classification is no longer requested are indicated in boldface and italicized type on FPL's Second Amended Exhibit C. Accordingly, these referenced work papers should be removed from Exhibits A and B as filed October 20, 1998.

7. Second Amended Exhibit C also contains revisions indicating that with respect to certain work papers or portions thereof FPL has narrowed its request for confidential classification. FPL has narrowed its request for confidential classification with respect to work papers no. 1; 8-4; and 8-6, pages 1-4.

8. Exhibits I and J, included herewith and made a part hereof, contain the work papers referenced above in paragraph 7 for which FPL has narrowed its request for confidential classification. In the work papers comprising Exhibit I, the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit I is submitted separately in a sealed folder marked "Confidential." The highlighted work papers contained in Exhibit I replace the work papers of the same identification number included in Exhibit A in FPL's October 20, 1997 filing. FPL requests that the replaced pages of Exhibit A, at the Commission's option, be destroyed or returned to FPL. In Exhibit J, the information for which FPL seeks confidential treatment has been blocked out. The work papers contained in Exhibit J replace the work papers of the same identification number included in Exhibit B in FPL's October 20, 1997 filing.

9. Second Amended Exhibit H, included herewith and made a part hereof, replaces First Amended Exhibit H of FPL's March 10, 1998 filing. Second Amended Exhibit H is the

electronic version of Second Amended Exhibit C and contains the same revisions identified above in paragraphs 6 and 7.

10. First Amended Exhibit F, included herewith and made a part hereof, replaces Exhibit F of FPL's March 10, 1998 and October 20, 1997 filings. Exhibits E and G remain unaltered as filed on March 10, 1998. Except as otherwise amended herein, or through FPL's First Amended Request submitted on March 10, 1998, Exhibits A and B remain unaltered as filed on October 20, 1997. The affidavit of Rick Del Cueto is included herewith as Exhibit K.

11. Pursuant to section 366.093, FPL seeks confidential classification of the information highlighted in Exhibit A, as amended, and referenced in Second Amended Exhibit C2.

12. FPL submits that such information is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such materials are entitled to confidential treatment and are 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.

13. The statutory bases for FPL's assertion of confidentiality with regard to each document or portion thereof are set forth in the Justification Table under the column titled "FLORIDA STATUTE 366.093(3)." The letters (a) through (f) refer to subsections of section 366.093(3), as applicable. Support for FPL's Request for Confidential Classification of the

referenced material is provided through the affidavits of Jan A. Umbaugh, Donald L. Babka, Dennis P. Coyle, as amended, Nancy Brock, and Rick Del Cunto. The Justification Table identifies the affiant attesting to the basis for FPL's assertion of confidentiality with regard to each document or portion thereof.

14. With respect to work paper no. 1, the information for which confidential classification is sought has not been publicly disclosed. It has been maintained by FPL as proprietary confidential business information. Its disclosure is likely to impose undue and unreasonable costs on the utility. Proprietary confidential business information is not limited to the six specific categories enumerated in Section 366.093(3).

15. The affidavit of Mr. Coyle included herewith as First Amended Exhibit F, provides support for FPL's Second Amended Request with respect to portions of work paper no.8-4, pages 1-11. As Mr. Coyle states, the information for which he is listed on Second Amended Exhibit C as affiant reveals or would tend to reveal the corporate strategies or business plans of FPL and/or the parent and other affiliates of FPL. Further, some of this information is subject to nondisclosure agreements with third parties. Release of the information would impair the competitive interests of FPL, and/or the parent and affiliates of FPL. Further, in some cases, release of the information may violate nondisclosure agreements with third parties and impair the competitive business or interests of such entities. FPL submits that the information referenced in Mr. Coyle's affidavit is "proprietary confidential business information" within the meaning of Section 366.093(3)(e).

16. FPL submits that because the information discussed by Mr. Coyle reveals or would tend to reveal the corporate strategies or business plans of FPL and other entities, it should be protected for a period of more than eighteen months. Mr. Coyle states that corporate strategies or business plans often span periods of time well in excess of eighteen months. Further, as Mr. Coyle notes, the disclosure of a corporation's strategies or plans, even if superseded, can provide competitors with valuable information as to how a corporation sees itself relative to competitors and how a corporation might behave in other markets or circumstances. For these reasons, FPL requests that the Commission not declassify for a period of thirty-six (36) months from the date of Mr. Coyle's affidavit, the information in Second Amended Exhibit C for which he is listed as affiant.

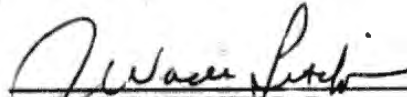
17. The affidavit of Rick Del Cueto, included herewith as Exhibit K, provides support for FPL's Second Amended Request with respect to portions of work paper no. 8-6, pages 1-4. As Mr. Del Cueto states, the referenced sections of work paper no. 8-6 contain or constitute internal auditing controls and reports of internal auditors or information relating to same. Accordingly, FPL submits that the information referenced in Mr. Del Cueto's affidavit is "proprietary confidential business information" within the meaning of Section 366.093(3)(b).

18. Upon a finding by the Commission that the material in Exhibit A, as amended, for which FPL seeks confidential treatment is proprietary confidential business information within the meaning of section 366.093(3), pursuant to section 366.093(4) such materials should not be declassified for the periods of confidentiality established by the Commission and should

be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith or incorporated herein by reference, Florida Power & Light Company respectfully requests that its Request for Confidential Classification, as amended, be granted.

Respectfully submitted,



R. WADE LITCHFIELD
760 Universe Boulevard
Juno Beach, Florida 33408-0420
(561) 691-7101

Senior Attorney
Florida Authorized House Counsel for

FLORIDA POWER & LIGHT COMPANY

SECOND AMENDED EXHIBIT C

JUSTIFICATION TABLE

LIST OF CONFIDENTIAL WORK PAPERS

Review of 1996 Earnings

SECOND AMENDED EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Workpapers
AUDIT: Review of 1996 Earnings
DATE: October 27, 1998
AUDIT CONTROL NO: 97-125-4-1

**FLORIDA
 STATUTE
 366.093(3)**

WK PAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO/ COL. NO.	Subsection:	AFFILIANT
1	Disclosures 1, 2, and 8	8	Y	pp. 1, 2: ¶¶ 1, 3, 4, 8, 9	e	D. Babka
4-1/1	E-mail Discussion bet. J. Revell & I. Piedra	1	Y	text @ *A	e	D. Babka
8	List of Board of Directors meetings	1	N	--	--	--
8-1, p. 1	Notes from BOD meeting minutes	1	N	--	--	--
8-1, p. 2	Con't of notes from BOD meeting minutes	1	N	--	--	--
8-1, p. 3	Con't of notes from BOD meeting minutes	1	N	--	--	--
8-1, p. 4	Con't of notes from BOD meeting minutes	1	N	--	--	--
8-1, pp. 5-9	Notes from BOD meeting minutes	5	N	--	--	--
8-2, pp. 1-5	Notes from BOD meeting - finance committee	5	N	--	--	--
8-2, p. 6	Con't of notes from finance committee	1	N	--	--	--
8-2, p. 7	Con't of notes from finance committee	1	N	--	--	--

Review of 1996 Earnings
 Audit Control No. 97-125-4-1

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIANT
8-2, p. 8	Con't of notes from finance committee	1	N	--	--	--
8-2, p. 9	Con't of notes from finance committee	1	N	--	--	--
8-2, p. 10	Con't of notes from finance committee	1	N	--	--	--
8-2/1-1	Secretary of State listing	5	N	--	--	--
8-2/1-1/1	Fax cover sheet	1	N	--	--	--
8-3	BOD meeting - compensation committee	4	N	--	--	--
8-3/1	Document request - item #49	1	N	--	--	--
8-3/1-1	Acct. review for rsa's	1	N	--	--	--
8-3/1-2	Restricted stock award	3	N	--	--	--
8-3/2	Document request - item #61	1	N	--	--	--
8-3/2-1	Restricted stock award	2	N	--	--	--
8-3/2-1/1	1996 - RSA for specific employees	1	N	--	--	--
8-3/2-1/2	Inter-office correspondence (RSA)	7	N	--	--	--

Second Amended Exhibit C

Review of 1996 Earnings
Audit Control No. 97-125-4-1

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIANT
8-3/2-2	Ref to item #61 - 1996 Merit Program	1	N	--	--	--
8-3/2-3	1996 Performance awards	1	N	--	--	--
8-3/2-3/1	Accrual for performance shares	4	N	--	--	--
8-4	Notes from minutes for FPL Group, Inc. BOD meeting	11	Y	pp. 1-10; text @ *A - *Z	(e)	D. Coyle
8-5, p. 1	Notes from minutes for BOD-employees benefits committee	1	N	--	--	--
8-5, p. 2	Con't notes from employees benefits committee	1	N	--	--	--
8-5, p. 3	Con't notes from employees benefits committee	1	N	--	--	--
8-5, p. 4	Con't notes from employees benefits committee	1	N	--	--	--
8-6, p.1	BOD minutes - Audit committee/FPL Group	1	Y	text @ *A, *B	(b)	R. Del Cueto
8-6, p. 2	Con't notes from audit committee	1	Y	text @ *A, *B	(b)	R. Del Cueto

Review of 1996 Earnings
Audit Control No. 97-125-4-1

WK PAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE	AFFIANT
					366.093(3) Subsection:	
8-6, p. 3	Con't notes from audit committee	1	Y	text @ *A, *B	(b)	R. Del Cueto
8-6, p. 4	Con't notes from audit committee	1	Y	text @ *A, *B	(b)	R. Del Cueto
8-7	Document request - item #5	1	N	--	--	--
9 A	Authorization letter	1	N	--	--	--
9, pp. 1-16	Review of outside auditor wp's	16	Y	pp. 1-7, 10-16	(e)	D. Babka & J. Umbaugh
9, pp. 17-22	Notes from external auditor wp's - Acct #5400	6	Y	p. 18, line 1; pp. 19-22	(e)	D. Babka & J. Umbaugh
9, pp. 23-27	Review of D&T wp's	5	Y	pp. 25, 26	(e)	D. Babka & J. Umbaugh
9, pp. 28-34	Con't review of D&T wp's	7	Y	p. 28	(e)	D. Babka & J. Umbaugh
9, pp. 35-41	Notes to consolidation financial statements	7	Y	pp. 40, 41	(e)	D. Babka & J. Umbaugh
9, pp. 42-44	Review external audit wp's - Acct #5300	3	N	--	--	--
9, pp. 45-46	Review external audit wp's - Acct #6300	2	Y	p. 46	(e)	D. Babka & J. Umbaugh
9, pp. 47-49	Review external audit wp's - Acct #6400	3	N	--	--	--

Second Amended Exhibit C

Review of 1996 Earnings
Audit Control No. 97-125-4-1

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIANT
9, p. 50	Con't review of external audit wp's	1	N	--	--	--
9, pp. 51-56	Review of D&T wp's	6	Y	pp. 51-55	(e)	D. Babka & J. Umbaugh
9, p. 57	Request #73	1	N	--	--	--
9, pp. 58-66	FPL mortg bonds & Deeds of trust	9	N	--	--	--
9, pp. 67-107	Copies of D&T schedules	41	Y	p. 67, col. m; p. 68, col. m; p. 69, col. m; p. 70, col. m, line 11; p. 71, col. c, d & e; pp. 72, 73, 74, entire pages; pp. 76, 78, 79, 80, 81, entire pages; p. 87, entire page; p. 88, col. L; p. 89, line 1; p. 107, col. C	(e)	D. Babka & J. Umbaugh
9, pp. 108-112	Copies of D&T schedules	5	Y	pp. 110-112	(e)	D. Babka & J. Umbaugh
9, pp. 113-120	FPL memo in re to environmental sites	8	Y	pp. 113-120	(e)	D. Babka & J. Umbaugh
9, pp. 121-131	Notes to consolidation financial statements	11	Y	pp. 127-131	(e)	D. Babka & J. Umbaugh

Second Amended Exhibit C

Review of 1996 Earnings
Audit Control No. 97-125-4-1

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIANT
9-1, pp. 1-16	AuditSystem/2: document index	16	Y	pp. 1-16	(e)	D. Babka & J. Umbaugh
9-2	Additional pension reserve	1	Y	Entire Page	(e)	D. Babka & J. Umbaugh
9-2/1	Copies on notes on pension plan	3	Y	pp. 1-3	(e)	D. Babka & J. Umbaugh
16-7/1	CIS Sample	3	Y	pp. 1-3	(d), (e)	N. Brock
16-7/2	Contract FPL and Andersen Consulting	4	Y	pp. 1-4	(d), (e)	N. Brock
16-7/2-1	CIS Base Requirements	3	Y	pp. 1-3	(d), (e)	N. Brock
19	CWIP	3	N	--	--	--
19-3/1	CWIP from D&T work papers	1	Y	Entire Page	(e)	D. Babka & J. Umbaugh
19-3/2	D&T AFUDC work papers	9	Y	pp. 1-9	(e)	D. Babka & J. Umbaugh
21-6/5	D&T Decommissioning	2	N	--	--	--
21-6/6	Decommissioning from D&T work papers	7	N	--	--	--
21-7	Orimulsion project - Discussion	2	Y	pp. 1-2	(e)	D. Babka

Review of 1996 Earnings
 Audit Control No. 97-125-4-1

WK PAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFILIANT
21-7/3-2	CWIP from D&T work papers	1	Y	Entire Page	(e)	D. Babka & J Umbaugh
21-7/7	FPLC/FPLs Point Accts - #930.200	6	Y	p. 2, col. 11 & 14; p. 5, col. 12; p. 6, col. 13	(e)	D. Babka
21-7/8	Journal voucher entry	3	Y	p. 2	(e)	D. Babka
21-7/8-1	Notes from D&T work papers	1	Y	Entire Page	(e)	D. Babka & J. Umbaugh
22-1/1	D&T work papers on Amortization Exp.	5	Y	pp. 1-5	(e)	D. Babka & J. Umbaugh
22-1/1-1	D&T work papers Depreciation Exp.	4	Y	pp. 1-4	(e)	D. Babka & J. Umbaugh
41-1	Revenue from D&T work papers	1	N	-	--	--
41-2	Revenue from D&T work papers	1	N	-	--	--
44-1	FPLC/FPLs Point Accts - #930.200	6	Y	p. 5, col. 13 & 14; p. 6, lines 3, 4, 5 & 6	(e)	D. Babka

**First Amended
Exhibit F**

**AFFIDAVIT OF
DENNIS COYLE**

FIRST AMENDED EXHIBIT F

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of Florida Power & Light)
Company's Request for Confidential) DOCKET NO. 971298-EI
Classification in the Review)
of 1996 Earnings;)
Audit Control No. 97-125-4-1)

STATE OF FLORIDA)
) **AFFIDAVIT OF DENNIS COYLE**
COUNTY OF PALM BEACH)

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

1. My name is Dennis Coyle. I am the General Counsel and Secretary of Florida Power & Light Company ("FPL"). I have personal knowledge of the matters stated in this affidavit.

2. With respect to FPL's Second Amended Exhibit C, I have reviewed the documents for which I am listed as affiant and which are included in Exhibit "I" to FPL's Second Amended Request for Confidential Classification. Such documents or portions thereof that FPL asserts to be proprietary confidential business information, as noted on Second Amended Exhibit C, contain or constitute information revealing or tending to reveal the corporate strategies or business plans of FPL and/or the parent and other affiliates of FPL. Such corporate strategies or business plans relate to, among other things, investments, capital and other expenditures, competitive positioning, and litigation. Disclosure of such information would impair the competitive business of FPL and/or its parent and other affiliates.


3. In addition, in some cases the information for which I am listed as affiant is subject to agreements of non-disclosure between FPL and/or the parent and other affiliates of FPL, and third parties. Disclosure

of such information may violate the terms of such agreements and would impair the competitive business and interests of the parties to these agreements.


4. Because the information in question reveals or would tend to reveal the corporate strategies or business plans of FPL and/or the parent and other affiliates of FPL, its disclosure would unfairly benefit third party competitors irrespective of the current status of the information, i.e., whether the investment or expenditure was made, whether the project was pursued, or whether the issue then considered by the relevant board or board committee is a current matter. Corporate strategies and business plans often span periods well in excess of eighteen months. Furthermore, the disclosure of corporate strategies and business plans, even if superseded, when considered in context can provide competitors with valuable information and insight, such as how the corporation perceives itself vis-à-vis its competitors and how the corporation is likely to react in other markets or circumstances. For these reasons, such information should be maintained as confidential for a period of no less than thirty-six (36) months from the date of this affidavit.

5. To the best of my knowledge, information and belief, FPL has maintained the confidentiality of these documents and materials. Further, the documents in question 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 this information.

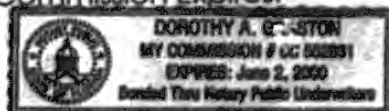
6. Affiant says nothing further.


Dennis Coyle

SWORN TO AND SUBSCRIBED before me this 27th day of October 1998, by Dennis Coyle, 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
DOROTHY A. GRASTON

My Commission Expires:



SECOND AMENDED EXHIBIT H

COMPUTER DISKETTE

EXHIBIT J

EDITED VERSION

OF

EXHIBIT I CONFIDENTIAL DOCUMENTS

AUDIT DISCLOSURE NO. 1

SUBJECT: ORIMULSION PROJECT

STATEMENT OF FACTS:

91

[REDACTED]

92

The Company applied to the Commission for authorization to pursue this project. The Commission approved FPL's Orimulsion project to be recovered through the fuel clause in PSC 94-1106-FOF-EI dated September 7, 1994. Subsequently, this plan was denied by the State of Florida Siting Board. FPL filed an appeal in the District Court of Appeals in May 1997, Case 96-1799, to have this denial reversed so that they may continue with their Orimulsion project. FPL's appeal was addressed by the Governor and Cabinet in September 1997, and was sent to an administrative judge for review and recommendation.

93

[REDACTED]

94

[REDACTED]

95

FASB 5 states in paragraph 8 that an estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met. Paragraph 8(a). It is probable that an asset has been impaired or a liability has been incurred and it is implicit in this condition

that it must be probable that one or more future events will occur confirming the fact of the loss. Paragraph 8(b). Also the amount can be reasonably estimated. An excerpt from FASB 5 follows this disclosure and includes these conditions.

96

FASB 5 also states in paragraphs 36 and 37 that "...the probability of an outcome unfavorable to the enterprise must be assessed to determine whether the condition in paragraph 8(a) is met." Factors to be considered nature of litigation, progress of case, opinions or view of legal counsel and other advisers, experience of other enterprises. "The fact that legal counsel is unable to express an opinion that the outcome will be favorable to the enterprise should not necessarily be interpreted to mean that the condition for accrual of a loss in paragraph 8(a) is met." The degree of probability of an unfavorable outcome must be assessed. If an unfavorable outcome is determined to be probable, then paragraph 8(a) has been met. An excerpt of Paragraphs 36 and 37 follows this disclosure.

OPINION:

97

Even though the project has not yet been approved by the State, the company has included the amounts in rate base in Construction Work in Progress.

98

[REDACTED]

99

[REDACTED]

Work paper

P. 2

From: Jay Revell
To: Iliana Piedra
Subject: fwd: Item 6-Audit objectives
for FP&L

-----NOTE----- 8/12/97 3:08pm
CC: Kathy Welch

Since you have indicated that these accounts, with the exception of Account 912, do not contain any expenses related to image-building advertising, and the amount in 912 is considered immaterial, it is OK to eliminate this audit item from the objectives.

However, if possible, could you possibly audit Account 930.1, General Advertising Expenses, for any image-building expenses instead?

Thanks, Jay

Fwd by: Kathy Welch--- 8/13/97 7:52am
Fwd to: Iliana Piedra, Jay Revell, Ruth Young

Ruth, did you look at these already in conjunction with looking at the adjustments? Iliana, we didn't ask Bud to include this account in his extract did we?

Fwd by: Ruth Young-----
Fwd to: Kathy Welch

There are no amounts in account 930.1. Therefore, no review of the account. The advertising expenses are in 909.xxx and the majority of them are adjustment out because they are ECCR. There is approx \$600,000 left in advertising in the surveillance report. This account was not selected to be tested. Based on the amount and the fact it was not selected to be tested (meant not a big increase) Iliana and I decided it was immaterial and not to test. Also for account 930.2 General Misc. I audited the vouchers and you audited the journal entries.

[Redacted] From Ruth
and Iliana.

4-1

#A

conf.

COMPANY: FPL
TITLE: REVIEW OF THE BOARD OF DIRECTORS MINUTES
PERIOD: 1995 - PRESENT
DATE: 8/30/97
WP: 8-4

KW
7/16/91
JHP 7/3/97

**FPL GROUP, INC. - MINUTES OF MEETING OF BOARD OF DIRECTORS
1/9/95**

Resolved that Paul Evanson is elected Director of FPL Group, Inc. and Michael Yackira elected Vice President, Finance and Chief Financial Officer.

2/13/95

Resolved that the first sentence of Section 4 of the 1994 LTIP be amended in its entirety to read as follows:

Subject to adjustment as provided in Section 10, the total number of Shares available for Awards under the Plan shall be 9,000,000. Such Shares may be authorized and unissued Shares or Shares purchased on the open market."

A check for \$10,000 was sent to Kansai Electric for relief for harm by the earthquake in Japan. (more than half the money was officer and employee contributions.

Resolved that a dividend of \$4.44 per share on the Common Stock, \$0.01 per value, of the corporation is hereby declared for payment March 15, 1995, to shareholders of record at the close of business on Feb 24.

Resolved that Deloitte & Touche, are appointed to audit the accounts of the Corporation and its subsidiaries for the fiscal year ending December 31, 1995.

Resolved the nominations for election as directors until the next annual meeting.

3/13/95

The transaction between Talest Cablevision Inc. and Adelphia Communications, Inc closed.



*A

5/15/95

Designated from among the members of the Board the following committees of which the director shall be the chairperson

- Audit Committee
- Acquisitions Committee
- Benefits Committee
- Compensation Committee
- Executive Committee
- Finance Committee

Resolved, that the offices of the corporation are appointed.

Resolved that a dividend of \$4.44 per share on the Common Stock, \$0.01 per value is declared for payment June 15, 1995.

5/15/95- annual meeting of shareholders.

The preliminary tabulation of the voting indicated 98% or more were voted for each of the nominees for director, well in excess of the majority required for their election; 97% were voted for the ratification of Deloitte & Touche well in excess of the majority, 25% were voted for cumulative voting for directors which was short of the majority required to adopt the proposal; and 11% were voted for the endorsement of the CERES Principles, which was short of the majority required (Ceres - regarding a corporate environmental reporting.)

D-4
P. 1

6/12/95

[REDACTED]

*B
*C
*D

Resolved that a dividend of \$.44 per share on the Common Stock, \$.01 per value, is declared effective 6/14/95.

9/11/95

[REDACTED]

*E
*F
*G

Following Hurricane Erin, Unit 1 at St. Lucie nuclear, experienced a series of equipment malfunctions and operational errors, which have resulted in close scrutiny by the NRC.

Resolved, that commencing October 1, 1995 directors who are not employees of the company and its subsidiaries shall be compensated as follows:

Annual retainer,	
Director	\$27,000
Committee Chairperson	\$3,000
Meeting Fees	
Board of Directors	\$1,300
Committees	\$1,300

Resolved, amendments to Pension Plan and Thrift Plans regarding paragraphs on approval provisions.

Resolved amendments to Long Term Incentive Plan of 1995 which provided for deferral of payment of awards granted under the LTIP.

Resolved amendments to Deferred Compensation Plan

11/13/95

Qualtec Quality Services was sold in October to The Marshall Group a Scottsdale, Arizona consulting company at approximate Qualtec's net book value.

FPL's Riverside office building and two adjoining parcels of land owned by Alarico were sold to the City of Miami for 15.8 M.

[REDACTED]

D*H (B)
✓ (B)
*I (B)

8-4
p 2

FPL may bid on the sale by CODELCO (Chilean government owned copper mining co.) of the Tocopilla power plant. A due diligence investigation is underway

[REDACTED]

Resolved that a dividend of \$.44 per share on the common stock, \$.01 per value is

declared for payment December 15, 1995.

12/11/95

FPL's proposal to increase the storm fund was approved by FPSC.

Together the remaining non-utility businesses account for about 5% of the assets of FPL Group.

The Tocopilla complex still appears attractive for its geographic location, growth prospects, risk and size

1/15/96

[REDACTED] *J

2/16/96

The bid for the Tocopilla power plant complex in Chile was unsuccessful. The Belgian and Spanish electric utility and a Chilean gas company was well above what the corporation was willing to pay.

FPL entered into an agreement with South Florida Cogeneration Associates (a partnership of Rolls Royce and Thermo Electron) and others to buy out an uneconomical cogeneration power purchase agreement and settle the antitrust suit SFCA filed against FPL in 1988. The agreement requires the payment of \$49 million over seven years to SFCA and the other parties and is conditioned upon the FPSC approval of the collection of the entire amount from FPL's customers via the fuel or capacity clauses. FPL's customers would realize savings with a net present value of \$50 million from the buy out of the power purchase agreement.

Resolved that a dividend of \$.46 per share on the Common Stock \$.01 per value is declared for payment 3/15/96.

Reviewed the Audit Committee Report, and year end results with the Chief Financial Officer.

3/11/96

The FPSC approved a proposed agreement on accelerated depreciation of FPL's nuclear plants.

FPL's health care costs per employee declined 6.8% from 1994 to 1995 compared to a 4.4% increase for typical Florida companies.

4/16/96

[REDACTED] *K

5/13/96

[REDACTED] *L

8-4
p.3

5/13/96

The chairman reported that the Governor and Cabinet of Florida, voted four to three to deny certification of the burning of Orimulsion at FPL's Manatee plant. FPL appealed the decision.

Resolved, that a dividend of \$.46 per share of common stock, \$.01 per value, is hereby declared for payment June 17, 1996.

5/13/96 - Minutes of Annual meeting of shareholders

[REDACTED] *M

Elected the directors

Ratified the appointment of Deloitte & Touche

A proposal to amend the Corporation's long term incentive plan to limit the payments to a maximum of \$200,000 per year to any executive officer.

6/17/96

[REDACTED] *N

Resolved, a dividend of \$.46 per share on common stock, \$.01 per value effective 8/12/96.

[REDACTED] *O (B)

[REDACTED] *P (B)

[REDACTED] *Q (B)

[REDACTED] *R (B)

12/16/96

[REDACTED] *S (B)

The performance of St. Lucie nuclear station continues to improve as evidenced by operating indicators.

[REDACTED] *T

8-4
P.4

Company: FPL
Title: Notes from the Board of Directors Minutes
Period: TYE 3/97
Date: July 4, 1997
Auditor: Gabriela Leon
Workpaper #:

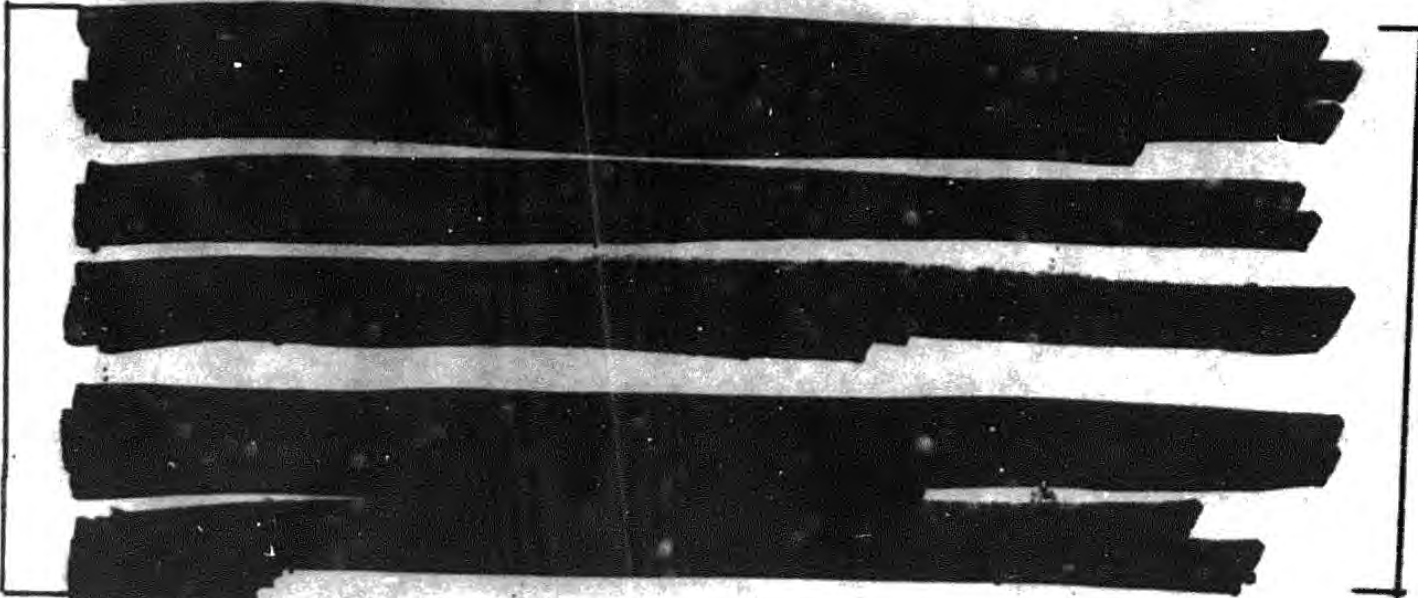
**FPL GROUP INC. MINUTES OF MEETING OF BOARD OF DIRECTORS
SEPTEMBER 16, 1996**

The California legislature adopted a law requiring customer choice of electricity supplier phased in by customer segment from 1998 to 2002 and providing for recovery of stranded investment.

It encourages but does not compel, divestiture of generation assets.

Rhode Island enacted a law requiring retail choice for all customers by 1998. Many other states are considering plans to restructure the industry.

Representative Dan Schaefer (R-Co), the Chairman of the House Subcommittee on Energy and Power, introduced his restructuring bill. It mandates retail choice for all customers by December 15, 2000. States must adopt programs implementing competition by the specified date or the Federal Energy Regulatory Commission would be responsible for establishing competition in that state.



It was resolved that effective November 1, 1996, the pension plan for nonemployee Directors except with respect to any director who retires on or before the date of the 1997 annual meeting of shareholders, shall be terminated and the accrued or projected benefits thereunder shall be converted into a Retirement Benefit Account for each such Director consisting of a number of units (phantom shares).

The Committee approved amendments to the FPL Group Employee Pension Plan to convert it from a final average pay plan to a cash balance plan and amendments to the Retirement Medical and Life Insurance Plan to eliminate coverage for new hires and current employees whose age plus years of service total less than 45.

8-4
p.s

Company: FPL
Title: Notes from the Board of Directors Minutes
Period: TYE 3/97
Date: July 4, 1997
Auditor: Gabriela Leon
Workpaper #: _____

Mr. Plunkett reported on FPL's Nuclear Division -the year to date equivalent availability factor for all units was 83%. The Nuclear Regulatory Commission activities included enforcement conferences, increased regulatory scrutiny, and 16 assessed violations with seven more pending at St. Lucie. The NRC proposed a \$100,000 civil penalty for terminating Diaz-Robaina's employment, adopting Labor Secretary Reich's decision that the determination was in retaliation for protected "whistle-blower" activities.

A U.S. Court of Appeals decision confirmed the Department of Energy's obligation to begin spent fuel disposal of January 31, 1998. The Nuclear Division's internal benchmarking group ranked Turkey Point second and St. Lucie 15th among the 21 plants surveyed.

11/11/96 -

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

*
v

Resolved, a dividend of \$1.00 a share on the
Common Stock \$01 par value is declared for
payment 12/16/96.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

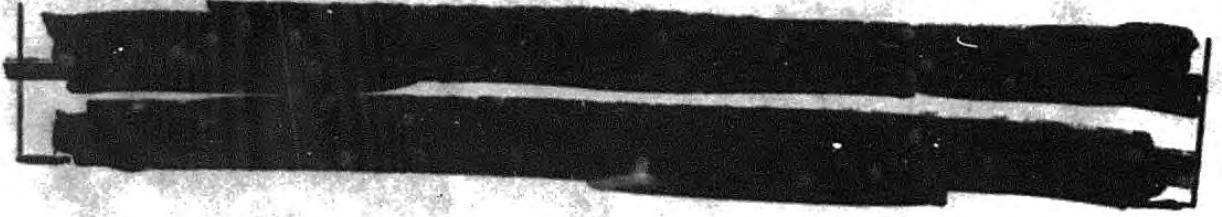
[REDACTED]

[REDACTED]

[REDACTED]

*
W

*
W



Company: FPL
Title: Notes from the Board of Directors Minutes
Period: TYE 3/97
Date: July 4, 1997
Auditor: Gabriela Leon
Workpaper #:

February 17, 1997 FPL GROUP, CORP. BOARD OF DIRECTORS MINUTES

Directors present:

H. Jesse Amelle
Robert M. Beall, II
David Blumberg
James L. Broadhead
J. Hyatt Brown
Lynne V. Cheney
Armando M. Codina
Marshall M. Criser
B. F. Dolan
Willard D. Dover
Paul J. Evanson
Drew Lewis
Frederic V. Malek
Paul R. Tregurtha

Board of Directors of FPL

Dennis P. Coyle, General Counsel and Secretary
Robert J. Hovey, Vice President, Turkey Point Nuclear Station (FPL)
Thomas F. Plunkett, President, Nuclear Division (FPL)
Michael W. Yackira, Vice President, Finance, and Chief Financial Officer

Mr. Broadhead Chairman of the Board presided;
The minutes of the meeting 12/16/96 were approved.

Alexander W. Dreyfoos, Jr. was elected as Director of the Corporation and appointed a member of the Audit Committee and Finance Committee of the Board

[REDACTED] *X

Mr. Coyle reported on the lawsuit FPL had filed seeking a declaratory judgment that the Okeelanta and Osceola cogeneration plants had failed to achieve commercial operation by the contractually required date, and FPL was therefore relieved of any further obligation under the power purchase agreements with these facilities. The power purchase agreements, which resulted from a Florida Public Service Commission mandate, obligate FPL to purchase the plants' output for 30 years at prices far in excess of prevailing market prices. These excessive prices are then passed through to FPL's customers, resulting in an overall higher cost of electricity to them.

[REDACTED] *Y

Company: FPL
Title: Notes from the Board of Directors Minutes
Period: TYE 3/97
Date: July 4, 1997
Auditor: Gabriela Leon
Workpaper #:

A dividend of \$.48 per share on the Common Stock, \$.01 par value, of the the Corporation was declared for payment March 17, 1997 to shareholders of record at the close of business on 2/28/97.

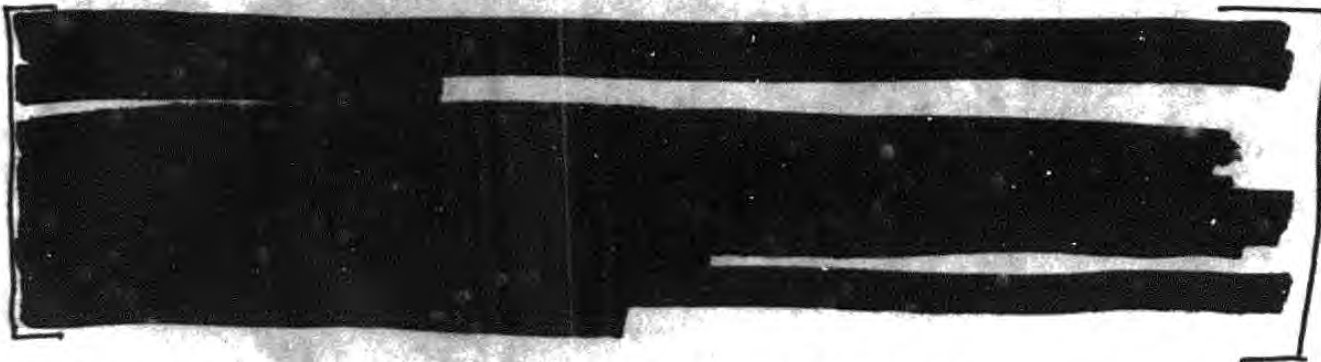
The Corporation agreed to purchase up to a 10 million shares of its issued and outstanding Common Stock, \$.01 per value.

The NRC fined the St. Lucie Plant \$90,000 in civil penalties for a plant access incident, and a \$50,000 civil penalty for emergency plan deficiencies.

Deloitte and Touche LLP, were appointed to audit the accounts of the Corporation and its subsidiaries for the fiscal year ending December 31, 1997 and any other services as may be required, and to perform other services as required of them.

Number of directors constituting the entire board of directors hereby fixed at 14, effective as of May 12, 1997.

April 22, 1997



May 12, 1997- FPL GROUP INC., MINUTES OF MEETING OF BOARD OF DIRECTORS

Mr. Broadhead, Chairman of the Board, presided and Mr. Coyle acted a Secretary.

Net income for the first quarter was \$101 million, or \$.58 per share, compared to \$94 million, or \$.54 per share for 1996. Earnings increased because of continuing cost reductions at FPL.

St. Lucie received a SALP rating of 2 for the period of 1/96-3/97 by the NRC (Nuclear Regulatory Commission).

The Florida Public Service Commission approved the extension through 1999 of FPL's accelerated depreciation Program. Ameristeel (formerly Florida Steel) is expected to intervene in opposition.

8-4
2:10

FPL
Board of Directors Minutes

12/7/97
EWP
6/27/97

4/14/95 - FPL Group
2/11/95 - also check

Approved audit activities for 1995 - sufficient
will - You may personnel to audit planned
activities
Reviewed 3rd Q^r Financial report
and Deloitte presented. No independent
auditors report.

5/15/95 - FPL Palm Beach section

* [REDACTED]

9/11/95 - Palm Beach

Reviewed 3rd quarter report. etc (same as etc)
Dr. Tolman presented the Audit Scope
for 1995 Audit.

11/10/95 - Palm Beach

Reviewed 3rd Quarter Audit Report (same as etc)

* [REDACTED]

The Committee requested that the copies
of the Customer Sales - Service Division
be reviewed from time to time to
reflect their performance on the 1991
follow up audit.

#1

Discussed 3rd Q Financial Report.

No trends noted in comparison to
to date and progress as planned.

2/12/96 - Jim Beach

Reviewed 4th Quarter Audit Report etc. (Page 5/2)

#3

Discussed annual activities for 1996.

Reviewed 4th Q Financial Report

5/10/46 - Fort Nathan - 02

Presented 1st Quarter Audit Comm. Report (same as above)

Presented 1st Quarter Financial Rep.

Mr. Mark St. President Nuclear District
conducted a preliminary visit at the St.
Louis Nuclear Plant (preliminary
the nature of the two occurrences which)
conducted in form by the NRC and the
collective action taken.

9/10/46 - Fort Bend

Presented 2nd Quarter Audit Comm. Report (same as
above)

Presented 2nd Quarter Financial Report.

1/10/46 - Fort Bend

Presented 3rd Quarter Audit Comm. Report (same as
above)

2/17/87 - Top Deck

Reviewed 4th Q. Public Corp. Report (same as above)

[Redacted]

#A

[Redacted]

Reviewed 4th Q. Financial Report

Details provided re. [unclear] Audit Report
[unclear] [unclear] [unclear] [unclear]

5/2/87 - P&H National

Reviewed 1st Q. Public Corp. Report (same as above)

#B

[Redacted]

Reviewed 1st Q. Financial Report

Details provided re. [unclear] report and explained
in [unclear] [unclear] [unclear] [unclear]

Exhibit K

**AFFIDAVIT OF
RICK DEL CUETO**

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of Florida Power & Light)
Company's Request for Confidential) DOCKET NO. 971298-EI
Classification in the Review)
of 1996 Earnings;)
Audit Control No. 97-125-4-1)

STATE OF FLORIDA)
) **AFFIDAVIT OF RICK DEL CUETO**
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared Rick Del Cueto who, being first duly sworn, deposes and says:

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

2. With respect to FPL's Second Amended Exhibit C, I have reviewed the documents and information for which I am listed as Affiant and which are included in Exhibit I to FPL's Request for Confidential Classification. Such documents or materials asserted by FPL to proprietary confidential business information, as noted on Second Amended Exhibit C, contain or constitute internal auditing controls and reports of internal auditors or information relating to same. FPL has maintained the confidentiality of these documents and materials.

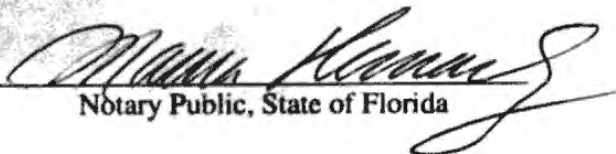
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



Rick Del Cueto

SWORN TO AND SUBSCRIBED before me this 27 day of October, 1998, by Rick Del Cueto, 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



Maura Hernandez
MY COMMISSION # CCS28088 EXPIRES
May 25, 2000
BONDED THRU TROY FAIR INSURANCE, INC.