



Public Service Commission

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COMMISSION
CLERK

DATE: January 22, 2009
TO: Kathryn Cowdery, Senior Attorney, Office of the General Counsel
FROM: William "Tripp" Boston, Operations Review Specialist, Division of Regulatory Compliance
RE: 090037-EI - Request for confidential classification of portions of staff's *Review of Florida Power & Light's Quality Assurance Process for Distribution Construction* Document: 11715-08

Attached is a December 19, 2008 request (document 11715-08) from FPL counsel, Kenneth M. Rubin requesting Specified Confidential Classification on portions of staff's report entitled *Review of Florida Power & Light's Quality Assurance Process for Distribution Construction*. The report has been published with all requested passages redacted. The company cites §366.0963(3)(b), F.S., which addresses internal auditing controls and reports of internal auditors, as the basis for the request.

Staff has reviewed this request and recommends the following:

Page 12, Lines 10 – 17:

Staff agrees that this information pertains to the Company's Internal Audits. The company treated this information as confidential during the review process. Staff recommends approval for this portion of the request.

Page 14, Lines 8 – 16:

Staff does not believe that the first two sentences in this paragraph (line 8 and a portion of line 9) are confidential under the company's justification as the statutes' provisions. These two sentences describe an operational process and do not reference internal auditing or a specific audit. Also, staff does not believe that the last two sentences within the paragraph (portion of line 13 through line 16) are confidential under the company's justification. These two sentences describe an upcoming change to the company's operational procedures.

Staff agrees that the information included in sentences three and four of this paragraph (portion of line 9 through a portion of line 13) contain information related to the results of Internal Audit reports. Staff recommends approval for these two sentences.

- COM _____
- ECR _____
- GCL _____
- OPC _____
- RCP _____
- SSC _____
- SGA _____
- ADM _____
- CLK McLean

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Page 16, Lines 33 – 35:

Staff recognizes that these lines contain the name of an external audit performed on the company's behalf. However, the company provided staff with an unredacted copy of this report in response to Data Request 1, question 7. The company did not submit a *Notice of Intent* for confidential classification on this response, nor did the company file a request at the conclusion of the audit pursuant to 25-22.006(3)(a)(2) F.A.C. Since the un-redacted document is currently publicly available within the audit workpapers, staff does not recommend the approval of this portion of the request.

Page 18 and 19:

The paragraphs on page 18, lines 9 through 36, address the topic: Does FPL's Audit Department periodically assess its distribution quality control assessment processes? Staff agrees that the information contained in this section pertains to the company's internal audits. Staff recommends approval for this portion of the request.

The paragraphs on page 19, lines 1 through 37, address the topic: Has FP&L's distribution construction quality control processes been reviewed by outside audit organizations? Staff recognizes that this section contains information on external audits performed on the company's behalf. However, the company provided staff with unredacted copies of these reports and additional correspondence between FP&L employees and the external auditors during the course of the review. The company provided un-redacted copies of each report in response to Data Request 1, question 7. In addition, the company provided detailed correspondence between the company and its external auditor in its response to Data Request 4, question 6. The company did not submit a *Notice of Intent* for confidentiality on either of these responses, nor did the company file a request on these response at the conclusion of the audit pursuant to 25-22.006(3)(a)(2) F.A.C. Since the un-redacted documents are currently publicly available within the audit workpapers, staff does not recommend the approval of this portion of the request.