

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for authorization to maintain accounting records outside of the State of Florida, pursuant to Rules 25-6.015(1) and 25-7.015(1), F.A.C., by Florida Public Utilities Company.

DOCKET NO. 100289-PU
ORDER NO. PSC-10-0454-PAA-PU
ISSUED: July 16, 2010

The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman
LISA POLAK EDGAR
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION ORDER
GRANTING REQUEST TO MAINTAIN RECORDS OUT OF STATE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On May 13, 2010, pursuant to Rules 25-6.015(1) and 25-7.015(1), F.A.C., Florida Public Utilities Company (FPUC or Company) filed a request that we authorize the Company to maintain certain accounting records at the Company's corporate offices in Dover, Delaware, rather than at the Company's Florida offices.

The Company is engaged in business as a public utility providing distribution of electricity and transportation and distribution of gas as defined in Section 366.02, Florida Statutes (F.S.). We have jurisdiction pursuant to Sections 366.04 and 366.05, F.S.

Maintenance of Records Out-Of-State

Rules 25-6.015(1) and 25-7.015(1), F.A.C., address the "Location and Preservation of Records" of electric and gas utilities, respectively. Rules 25-6.015(1) and 25-7.015(1), F.A.C. require that all records that a utility is required to maintain, by reason of these or other rules prescribed by this Commission, be kept at the office or offices of the utility within the state, unless otherwise authorized by the Commission. In the filing for this docket, FPUC states that:

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FPUC has recently become a corporate subsidiary of Chesapeake Utilities Corporation. As a result of this transaction, certain accounting functions will be centralized at corporate headquarters in order to reduce internal accounting and auditing costs and to facilitate compliance with Sarbanes-Oxley regulations.

Specifically, FPUC intends to retain existing records at its offices in Florida located in West Palm Beach, as well as any future accounting records generated by FPUC personnel and related specifically to FPUC operations. However, going forward, any documents generated by personnel in the Company's new corporate headquarters in Dover, Delaware will be retained at the Dover location, as well as any Journal entries or Accounts payable allocated to FPUC from Corporate or prepared by corporate personnel.

The Company explained in its filing that the information contained in the Company's accounting records will be accessible via computer at FPUC's West Palm Beach location.

Section 366.05(11), F.S., states that we have "the authority to assess a public utility for reasonable travel costs associated with reviewing the records of the public utility and its affiliates when such records are kept out of state." Rule 25-7.015(2), F.A.C., further defines reasonable travel expenses as "those travel expenses that are equivalent to travel expenses paid by the Commission in the ordinary course of its business." Rule 25-7.015(2)(a), F.A.C., also states that the "utility shall remit reimbursement for out-of-state travel expenses within 30 days from the date the Commission mails the invoice." The Company states that it:

understands and will comply with the requirements of Rules 25-6.015(2) and 25-7.015(2), F.A.C., regarding reimbursement of travel expenses associated with Commission staff travel to review Company records located outside of Florida.

Therefore, FPUC shall be authorized to maintain certain records out-of-state. This centralization of the records should result in improved efficiency and cost savings. Because our rules require the utility to reimburse us for reasonable travel costs associated with reviewing the records kept out of state, we should not be substantially affected by this change.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the request of Florida Public Utilities Company to maintain certain records out-of-state shall be granted as set forth in the body of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of this Order, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 16th day of July, 2010.



ANN COLE
Commission Clerk

(S E A L)

RRJ/th

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 6, 2010.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.