

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | |
|---|---|
| In re: Joint request for authorization to maintain accounting records outside of the State of Florida, in accordance with Rules 25-6.015(1) and 25-7.015(1), F.A.C., by Florida Public Utilities Company. | DOCKET NO. 110215-GU ORDER NO. PSC-11-0362-PAA-GU ISSUED: August 29, 2011 |
|---|---|

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER AUTHORIZING FLORIDA PUBLIC UTILITIES COMPANY AND THE FLORIDA
DIVISION OF CHESAPEAKE UTILITIES CORPORATION TO MAINTAIN
ACCOUNTING RECORDS OUTSIDE OF THE STATE OF FLORIDA

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 July 1, 2011, pursuant to Rules 25-6.015(1) and 25-7.015(1), F.A.C., Florida Public Utilities Company (FPUC) and the Florida Division of Chesapeake Utilities Corporation (Florida Division) (jointly referred to herein as the Company), requested authorization to maintain all of their accounting records at the Company's corporate offices in Dover, Delaware, rather than at each entity's separate Florida offices. FPUC also seeks to include the records of its Indiantown Division (GU 606).

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.).

DOCUMENT NUMBER-DATE

06209 AUG 29 =

FPSC-COMMISSION CLERK

This Order addresses the Company's request. We have jurisdiction over this matter pursuant to Sections 366.04 and 366.05, F.S.

DECISION

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 keep, by reason of these or other rules prescribed by the Commission, at the office or offices of the utility within the state, unless otherwise authorized by the Commission. In the filing for this docket, the Company states that:

Less than 2 years ago, FPUC became a corporate subsidiary of Chesapeake Utilities, Corporation. Shortly thereafter, FPUC acquired the natural gas operating assets of Indiantown Gas Company. As a result of these transactions, the Company took steps to consolidate costs and reduce duplication. One such step was to consolidate certain accounting functions at the corporate headquarters in Dover, which significantly reduced internal accounting and auditing costs, and also facilitated compliance with Sarbanes-Oxley regulations.

In furtherance of this effort, FPUC filed a Petition on May 13, 2010, seeking permission to maintain certain accounting records generated at the corporate headquarters in the Dover, DE location. Other historical records, as well as new records generated in the West Palm Beach offices, would continue to be maintained in Florida. The Commission granted this request by Order No. PSC-10-0454-PAA-PU, issued in Docket No. 100289-PU, on July 16, 2010.

In an earlier proceeding initiated for similar purposes, the Florida Division was granted permission to maintain accounting records at the corporate offices in Dover, Delaware, by Order No. PSC-06-0335-PAA-GU, issued April 24, 2006.

Recently, the Company has taken additional steps to further consolidate all accounting functions in the corporate headquarters in Dover, Delaware. Consequently, the Company intends to transfer all existing FPUC and FPUC-Indiantown Division records and any Florida Division records currently located at the West Palm Beach offices to the corporate headquarters in Dover, along with any Florida Division accounting records that may still remain in the Winter Haven office (if any). It is anticipated that few, if any, new accounting records will be generated, or maintained, in Florida. Thus, the Company now seeks additional approval from the Commission to maintain all accounting records at the corporate headquarters offices located in Dover, Delaware.

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 the “commission has 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.” Rules 25-6.015(2) and 25-7.015(2), F.A.C., further define 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:

FPUC and the Florida Division understand and acknowledge that each must comply with the requirements of Rules 25-6.015(2) and 25-7.015(2), Florida Administrative Code, regarding reimbursement of travel expenses associated with Commission staff travel to review Company records located outside of Florida.

CONCLUSION

We find that the centralization of the records will result in improved efficiency and cost savings. We also find that because the Company understands and acknowledges that the Commission rule requires the utility to reimburse the Commission for reasonable travel costs associated with reviewing the records kept out-of-state, the Commission will not be substantially affected by this change. We therefore authorize the Company to keep its records out-of-state.

Based on the foregoing, it is

ORDERED by Florida Public Service Commission that the joint request of Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation for authorization to maintain accounting records outside of the State of Florida is approved.

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 in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 29th day of August, 2011.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

MFB

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 September 19, 2011.

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.