

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 16, 2012
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Patricia B. Daniel, Chief of Auditing, Office of Auditing and Performance Analysis
Caroline M. Klancke, Senior Attorney, Office of the General Counsel *CM* *PO*
RE: Docket No. 120259-WS, Request for authorization to maintain accounting records outside of the State of Florida, pursuant to Rule 25-30.110(1)(b), F.A.C., by Ni Florida, LLC

Please add the attached administrative memo, regarding the Ni Florida, LLC request to maintain accounting records outside of the State of Florida, to the above-referenced docket file.

Attachment

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CLERK

DOCUMENT NUMBER DATE

07700 NOV 16 2012

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DATE: November 16, 2012
TO: Caroline M. Klancke, Senior Attorney, Office of the General Counsel
FROM: Patricia B. Daniel, Chief of Auditing, Office of Auditing and Performance Analysis *PD*
RE: Docket No. 120259-WS, Request for authorization to maintain accounting records outside of the State of Florida, pursuant to Rule 25-30.110(1)(b), F.A.C., by Ni Florida, LLC

On October 16, 2012, pursuant to Rule 25-30.110(1)(b), Florida Administrative Code (F.A.C.), Ni Florida, LLC (Ni Florida or Company) filed a request that the Commission authorize the Company to maintain its accounting records at the Company's principal offices in Houston, Texas. According to the application, Ni Florida is a limited liability company whose single member is Ni America Capital Management, LLC. Ni America Capital Management provides accounting and other services for all regulated water and wastewater utilities owned by its subsidiaries in Florida, Texas, and South Carolina. Centralizing this function reduces costs that would otherwise be incurred by each individual utility, and maintaining duplicate records within Florida would create an additional and unnecessary expense.

In addition, Ni Florida requests to maintain its customer billing records at the office of Ni America Capital Management's subsidiary in Elgin, South Carolina. Approximately 90 percent of the customers served by Ni Capital Management subsidiaries are located in South Carolina and are served through the centralized customer response system provided from this location. Moving and consolidating Ni Florida's customer billing function will permit more efficient and cost-effective service. According to its application, Ni Florida understands and will comply with the requirements of Rule 25-30.110(1)(c), F.A.C., regarding reimbursements of travel expenses associated with Commission staff travel to review Company records located outside of Florida. Ni Florida has also provided accounting information to staff electronically in support of its applications, which avoided the need for staff to travel out-of-state to inspect those records.

Pursuant to Section 2.07(C)(4)b of the Administrative Procedures Manual, staff has been given administrative authority to approve requests of water and wastewater utilities to maintain records and record books outside of the state if the company agrees to reimburse the Commission for the reasonable travel expenses of the Commission's representative during any out-of-state audits or investigations. The Commission has jurisdiction pursuant to Section 367.121(1)(k), Florida Statutes. Therefore, staff recommends that the Commission authorize Ni Florida to maintain its records out-of-state. The docket may be closed following issuance of the administrative order as no further action is necessary.

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-M-E-M-O-R-A-N-D-U-M-

DATE: November 16, 2012

TO: Ronald A. Brisé, Chairman
Lisa Polak Edgar, Commissioner
Art Graham, Commissioner
Eduardo E. Balbis, Commissioner
Julie I. Brown, Commissioner
Braulio L. Baez, Executive Director

FROM: Patricia B. Daniel, Chief of Auditing, Office of Auditing and Performance Analysis
Caroline M. Klancke, Senior Attorney, Office of the General Counsel *CMK*

RE: Administrative approval of the request by Ni Florida, LLC to maintain accounting records outside of the State of Florida, pursuant to Rule 25-30.110(1)(b), F.A.C. in Docket No. 120259-WS

Pursuant to Section 2.07(C)(4)b of the Administrative Procedures Manual, staff has been given administrative authority to approve requests of water and wastewater utilities to maintain records and record books outside of the state if the company agrees to reimburse the Commission for the reasonable travel expenses of the Commission's representative during any out-of-state audits or investigations. In its application, Ni Florida, LLC indicated that it maintains its accounting records at the Company's principal office in Houston, Texas and its customer billing records at an Affiliate's office in Elgin, South Carolina. The company indicated that it will comply with the requirements of Rule 25-30.110(1)(c), F.A.C., regarding reimbursements of travel expenses associated with Commission staff travel to review Company records located outside of Florida.

Staff recommends that the Commission authorize Ni Florida, LLC to maintain its records out-of-state. An administrative order approving the Utility's request will be issued no sooner than two weeks after the date of this memorandum. Please let us know if you have any questions or concerns regarding this matter.