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:

August 1, 2001

TO:

DIRECTOR, DIVISION OF THE COMMISSION CLERK AND

ADMINISTRATIVE SERVICES (BAYO')

FROM:

DIVISION OF REGULATORY OVERSIGHT (BUCKLEY) MB Amd

DIVISION OF ECONOMIC REGULATION (SLEMKEWICZ) OM

DIVISION OF LEGAL SERVICES (ELIAS)

RE:

DOCKET NO. 010357-EI - APPLICATION FOR AUTHORIZATION, PURSUANT TO RULE 25-6.015(1), FLORIDA ADMINISTRATIVE CODE, TO MAINTAIN ACCOUNTING RECORDS OUTSIDE THE STATE OF

FLORIDA, BY FLORIDA POWER CORPORATION

AGENDA:

09/18/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION -

INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\RGO\WP\010357.RCM

CASE BACKGROUND

On March 23, 2001, pursuant to Rule 25-6.015(1), Florida Administrative Code, Florida Power Corporation filed a request that the Commission authorize it to maintain its records out-of-state. The utility requests authorization to maintain various accounting records at its parent company's headquarters, located in Raleigh, North Carolina, rather than at its offices within the State of Florida. The Commission has jurisdiction pursuant to Section 366.05(11), Florida Statutes.

DOCUMENT NUMBER-DATE

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission authorize Florida Power Corporation to keep its accounting records out-of-state?

<u>RECOMMENDATION</u>: Yes, the Commission should approve Florida Power Corporation's request to keep its records out-of-state. (Buckley)

STAFF ANALYSIS: Rule 25-6.015(1), Florida Administrative Code, states:

All records that a utility is required to keep by reason of these or other rules prescribed by the Commission shall be kept at the office or offices of the utility within this state, unless otherwise authorized by the Commission.

In its filing, Florida Power Corporation states that:

For reasons of necessity and cost-effectiveness, the recently completed acquisition of Florida Power by Progress Energy, Inc. will require certain records specified by the Commission's rules to be maintained in Raleigh, North Carolina, the parent company's headquarters.

Systems are currently in place within Progress Energy to ensure that records of the type subject to this request are and will be preserved in accordance with Title 18, Subchapter C, Part 125, Code of Federal Regulations, as required by Commission Rule 25-6.015(3), Florida Administrative Code.

Section 366.05(11), Florida Statutes, authorizes the Commission "[to] assess a utility for reasonable travel costs associated with reviewing the records of the utility and its affiliates when such records are kept out-of-state." Rule 25-6.015(2), Florida Administrative Code, 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 25-6.015(2)(a), Florida Administrative Code,

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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 utility's filing confirms the utility's awareness of the rule by stating that the utility acknowledges the requirements of Rule 25-6.015(2), Florida Administrative Code, with regard to reimbursing Commission staff travel expenses incurred for review of records maintained out-of-state, or to alternatively make those records available at a location within the State of Florida. For these reasons, staff recommends that Florida Power Corporation's request be granted.

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ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION</u>: Yes, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order. (Elias)

<u>STAFF ANALYSIS</u>: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.