

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authorization, pursuant to Rule 25-7.015, F.A.C., to maintain accounting records outside the state of Florida, by Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas.

DOCKET NO. 000651-GU  
ORDER NO. PSC-00-1905-PAA-GU  
ISSUED: October 18, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
E. LEON JACOBS, JR.  
LILA A. JABER  
BRAULIO L. BAEZ

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ON APPLICATION FOR AUTHORIZATION TO MAINTAIN ACCOUNTING  
RECORDS OUTSIDE 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.

On May 30, 2000, pursuant to Rule 25-7.015, Florida Administrative Code, Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas, (Southern Union or Company), filed a request asking the Commission to authorize Southern Union to maintain various accounting records outside the state. Southern Union stated in its request that it is a public utility that provides natural gas service to approximately 4,400 customers in New Smyrna Beach, Edgewater, and portions of Volusia County. Southern Union requests authorization to maintain various accounting records at Southern Union's corporate office, located in Austin, Texas, rather than at the Southern Union offices within the State of Florida.

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FPSC-RECORDS/REPORTING

Rule 25-7.015(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 the state, unless otherwise authorized by the Commission. Such records shall be open for inspection by the Commission or its authorized representatives at any and all reasonable times.

In the filing for this docket, Southern Union states that:

the small size of Southern Union's operations necessitates continuing assistance from Southern Union personnel in Austin to perform various daily accounting functions. Consolidation of the associated Southern Union accounting records in Southern Union's corporate office enables more effective use of Southern Union's accounting personnel and promotes consistency in tracking and maintaining accounting information.

The utility further comments that while accounting information can generally be made available through Southern Union's computer access in its Florida offices, the expertise in addressing interpretations and providing support for various accounting issues resides in its corporate office. Once the utility changes its accounting for the Florida system, the utility offices in Florida plan to have on-line access to accounting reports (trial balance, etc.), as well as copies of invoices and purchase orders.

Currently, the utility duplicates certain functions in Texas and Florida. If this request is approved, the utility will eliminate some of that duplication. In addition, the utility plans to implement certain changes as a result of the new tariff request for Firm Transportation Service. This tariff will require specialized expertise for billing and accounting that is available in Texas.

Section 366.05(11), Florida Statutes, 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," Florida Statutes. Rule 25-7.015(2), Florida Administrative Code, further defines reasonable travel expenses as

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"those travel expenses that are equivalent to travel expenses paid by the Commission in the ordinary course of its business." Subsection (a) of the same rule 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 utility's filing confirms the utility's awareness of the rule by stating that the utility "will fully comply with the requirements of Commission Rule 25.7015(2) (sic) pertaining to reimbursement of out-of-state travel expenses by Commission representatives incurred during any review of out-of-state records or production of out-of-state records in the State of Florida upon request by Commission representatives." It has been confirmed that the utility realizes the statutory language also requires reimbursement for out-of-state travel.

Because the utility's expertise in addressing interpretations and providing support for various accounting issues resides in Texas, we believe the proposed change will be more efficient for the utility. In addition, the statute and Commission rule requires the utility to reimburse the Commission for reasonable travel costs associated with reviewing the records kept out of state. We, therefore, authorize Southern Union to keep its records outside the state.

Based on the foregoing, it is

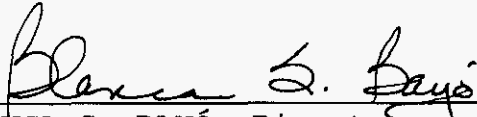
ORDERED by the Florida Public Service Commission that the request filed by Atlantic Utilities, a Florida Division of Southern Union d/b/a South Florida Natural Gas, to maintain accounting records outside the state of Florida is granted. It is further

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 Director, Division of Records and Reporting, 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.

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By ORDER of the Florida Public Service Commission this 18th  
day of October, 2000.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

KDW

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 Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 8, 2000.

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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 docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.