

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Proposed Repeal of 25-4.0166, )  
F.A.C., Implementation of Uniform )  
System & Classification of Accounts; )  
and Revision of 25-4.017, F.A.C., )  
Uniform System and Classification )  
of Accounts. )

DOCKET NO. 910906-TP  
ORDER NO. 25291  
ISSUED: 11/01/91

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to repeal Rule 25-4.0166, F.A.C., and amend Rule 25-4.017, F.A.C., relating to the uniform system and classification of accounts.

The attached Notice of Rulemaking will appear in the November 8, 1991, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, December 5, 1991  
Room 122, Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than December 2, 1991.

By Direction of the Florida Public Service Commission, this  
1st day of NOVEMBER, 1991.

STEVE TRIBBLE, Director  
Division of Records & Reporting

( S E A L )

CTM

amd46&17.cjp

by: Kay Flynn  
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

10915 NOV-1 1991

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 910906-TP

REPEAL OF RULE 25-4.0166, F.A.C.

REVISION OF RULE 25-4.017, F.A.C.

RULE TITLE:

RULE NO.:

Implementation of Uniform System &

Classification of Accounts

25-4.0166

Uniform System and Classification

of Accounts

25-4.017

PURPOSE AND EFFECT: Rules 25-4.0166 and 25-4.017 both address the Uniform System and Classification of Accounts (USOA). Rule 25-4.0166 is being repealed and some of its provisions are being added to Rule 25-4.017 for ease of reference. The rule is in need of updating to reflect current accounting practices. These rules were last amended in 1988 and they incorporate the Federal Communication Commission's revisions to Part 32 Class A of the Uniform System and Classification of Accounts (USOA) as of December 1, 1987. Revisions made to the USOA since then should be adopted by rule. To keep staff better informed about substantial changes to earnings, a provision is added requiring larger local exchange companies to give notice within 45 days whenever they make certain accounting changes.

SUMMARY: The substance of Rules 25-4.0166 and 25-4.017 are being combined into a single rule, Rule 25-4.017, and Rule 25-4.0166 is

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being repealed to reduce the confusion that results from having two rules on the same subject. Rule 25-4.017 is updated to require telecommunications companies to use the uniform system of accounts in effect as of October 1, 1991 and to delete subaccounts that are no longer needed by the Commission. A new provision requires local exchange companies with more than 100,000 access lines to notify the Commission of each accounting change that will alter the company's annual revenue requirements by 25 or more basis points on equity.

RULEMAKING AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 350.115, 364.17, F.S.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES: Most of the changes to the rule reflect current practice and will have a minimal impact on the parties affected by the rule. No direct costs will be incurred by the agency or other parties. The requirement that companies must notify the Commission of certain communications is an existing requirement. The modification that requires notice within a certain time should not result in additional costs. Requiring the companies to provide copies to the Commission upon request will result in additional, but minimal, costs to the companies. The new requirement imposed upon the larger local exchange companies to notify the Commission of certain accounting changes may require additional personnel time to assess and report the impact of accounting changes and to make computer

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programming changes.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULES MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:  
TIME AND DATE: 9:30 A.M., December 5, 1991

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399

THE FULL TEXT OF THE RULES ARE:

25-4.0166 Implementation of Uniform System & Classification of Accounts.

Specific Authority: 350.127(2), F.S.

Law Implemented: 350.115, 364.17, F.S.

History: New 4/25/88, Repealed \_\_\_\_\_.

25-4.017 Uniform System and Classification of Accounts.

(1) Each telecommunications ~~telephone~~ company shall maintain its accounts and records in conformity with the Uniform System and Classification of Accounts (USOA) as prescribed by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part 32 Class A as adopted on December 2, 1986, and revised as of

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October 1, 1991 ~~December 1, 1987~~, and as modified below. Inquiries relating to interpretation of the USOA shall be submitted in writing to the Division of Auditing and Financial Analysis.

(2) Each company shall establish separate depreciation reserve subaccounts for each corresponding subaccount established in the USOA or by rules of this Commission.

~~(3) Summary Account 6310, Information Origination/Termination Expense, shall also include the following related accounts:~~

~~(a) Account 6363, Installations of Equipment Beyond the Demarcation Point, which includes the cost by location of the original installation, or of equipment additions to original equipment installations on the customer's side of the demarcation point; and~~

~~(b) Account 6364, Repairs of Equipment Beyond the Demarcation Point, which includes the cost by location, of maintaining equipment on the customer's side of the demarcation point.~~

~~(4) The following subaccounts are established, for the purpose of uniformity, in Account 5084, relating to State Access Revenues:~~

~~(a) Account 5084.10, Common Line, includes the revenues from the charge for the interexchange portion of the wiring between the end user premises and the end office of the telephone company.~~

~~(b) Account 5084.11, Line Termination, includes the revenues from the charge for use of that portion of the nontraffic sensitive~~

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~~local switch.~~

~~(c) Account 5084.12, Local Switch 1, includes the revenues from the charge for the local end office switching functions for services receiving access to the local switch other than message toll service (MTS) and wide area toll service (WATS).~~

~~(d) Account 5084.13, Local Switch 2, includes revenues from switching arrangements for message toll service (MTS) or wide area toll service (WATS), and other service receiving access to the local exchange carriers switch equal to that provided MTS and WATS.~~

~~(e) Account 5084.14, (Local) Common Transport, includes the revenues collected from an interexchange company which reflects the cost of the use of a local exchange carrier transmission facilities between the LEC end office serving the interexchange carrier's point-of-presence and the LEC end office switch originating or terminating the interchange carrier's traffic.~~

~~(f) Account 5084.15, Dedicated Transport, includes the revenues from the charge for the transmission, and related switching facilities, between an IXCs terminal location and the end office serving the IXCs terminal location.~~

~~(g) Account 5084.16, Other Switched Access Services, includes the revenues from intrastate switched services not included in subaccounts listed in (a) through (f). This subaccount shall include revenue from the busy hour minutes of capacity charge.~~

~~(h) Account 5084.17, Limited Pay Telephone, includes the~~

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~~revenues from the charge for lines terminating in a pay telephone used exclusively to originate interexchange services.~~

~~(i) Account 5084.18, Special Access Services, includes all revenues from intrastate services which use LEC facilities to provide a transmission path between an IXC terminal location and an end user premises or between another IXC terminal location providing private line or WATS services. This subaccount is further subdivided as follows:~~

~~1. Account 5084.181, Recurring Special Access Services Revenues; and~~

~~2. Account 5084.182, Nonrecurring Special Access Service Revenues.~~

~~(j) Account 5084.19, Information Services, includes the revenues from intrastate directory information service including service calls, directory access services, and other revenues in connection with this service.~~

~~(k) Account 5084.20, Intercept, includes the revenues for services to stop a telephone call directed to an improper telephone number and to redirect that call to an operator or recording.~~

~~(l) Account 5084.21, Other Intrastate Access Charges, includes all intrastate carrier revenue not provided for in subaccounts listed in (h) through (k).~~

~~(3) (5) Account 1181, Telecommunications Accounts Receivable - Allowance, shall be maintained on the allowance (reserve) method~~

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for uncollectible accounts with concurrent charges being made to Account 5301, Uncollectible Revenue - Telecommunications. This provision shall apply only to the regulated operations of the utility.

~~(6) Accounts 1406, 7130 and 7990, non regulated accounts. Each company shall maintain a corresponding non regulated subaccount for each of its regulated accounts and subaccounts.~~

(4) A telecommunications company may use a different account numbering system but shall use the same account descriptions as prescribed in the Uniform System and Classification of Accounts or by this Commission. If a different account numbering system is used, a cross reference of the company's system to the Commission's numbering system shall be shown in the company's chart of accounts.

(5) Tax side records shall be maintained for the purpose of identifying deferred taxes, and deferred investment tax credits and related recapture, for each plant subaccount identified in the USOA. Deferred taxes shall be separated between major timing differences such as accelerated depreciation, normal spread items and intercompany profit.

(6) Cost allocation side records shall be maintained for the purpose of facilitating cost of service studies and shall include cost allocations of income taxes, other taxes, general and administrative expenses, and other allocated expenses for each expense account and subaccount identified in the USOA or Commission



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rules.

(7) Each telecommunications company shall notify the Division of Auditing and Financial Analysis in writing of all communications written to or received from the Federal Communications Commission, the Financial Accounting Standards Board, or the Internal Revenue Service, that pertain to accounting procedures, separations procedures, or the USOA. Notification shall be provided by the company as an attachment to the Telephone Earnings Surveillance Report and shall include notice of communications that were sent or received by the company from the tenth day of the month in which the previous surveillance report was filed through the tenth day of the current month. "Communication" includes writings sent or received by the company directly or on its behalf by a parent company or representative. Upon request of the Division of Auditing and Financial Analysis, the company shall provide a copy of the written communication to the Division.

(8) Each telecommunications company with more than 100,000 access lines shall notify the Division of Auditing and Financial Analysis, in writing within 45 days of implementation, of each change in accounting methodology, accounting estimates, or underlying assumptions, when the change will alter the company's annual revenue requirements by 25 or more basis points on equity. Notification is not required for changes approved by order of the Commission.

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Specific Authority: 350.127(2), F.S.

Law Implemented: 350.115, 364.17, F.S.

History: Revised 12/1/68, Amended 3/31/76, 8/21/79, 1/2/80,  
12/13/82, 12/13/83, 9/30/85, formerly 25-4.17, Amended 11/30/86,  
4/25/88, \_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULES: Rick Wright, Division  
of Communications

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULES:  
Florida Public Service Commission

DATE PROPOSED RULES APPROVED: October 22, 1991

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.