

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**

January 25, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF APPEALS (MOORE) *DM*  
DIVISION OF AUDITING & FINANCIAL ANALYSIS (REVELL) *CPBB DM*  
DIVISION OF RESEARCH & REGULATORY REVIEW (HARLOW) *JS*  
DIVISION OF ELECTRIC & GAS (BULECZA-BANKS, KUMMER) *APC*

RE: DOCKET NO. 960045-PU, PROPOSED REVISION OF RULES 25-6.014  
AND 25-7.014, F.,A.C., RECORDS AND REPORTS IN GENERAL

AGENDA: 2/6/96 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED  
PERSONS MAY PARTICIPATE

RULE STATUS: PROPOSAL MAY BE DEFERRED

SPECIAL INSTRUCTIONS: I:\PSC\APP\WP\960045.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission revise Rules 25-6.017 and 25-7.017, Florida Administrative Code, to require electric and gas utilities to maintain their records in accordance with the Uniform System of Accounts as revised through April 1, 1995?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Rules 25-6.017 and 25-7.017 currently require electric and gas utilities to maintain their records in accordance with the Uniform System of Accounts (USOA) in effect as of April 1, 1987. Several revisions to the USOA have been made since then, and staff believes the utilities that are subject to the Commission's rules are already using the latest edition of the USOA. The effect of the Commission's current rules is to require electric and gas utilities to use an outdated version of the USOA.

The requirement in sections 25-6.014(6) and 25-7.014(7) for each utility to file a copy of its chart of accounts with the Commission is deleted because staff may inspect it at the utility's offices or request a copy if it is necessary. The remaining recommended changes to the rules are for clarity or to remove some inconsistencies between the two rules.

DOCUMENT NUMBER-DATE

00910 JAN 25 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960045-PU  
DATE: January 17, 1996

The rule revisions do not result in a "substantial increase in costs" or "significant adverse effects" to the parties directly affected; therefore, an Economic Impact Statement is not required and none was prepared. (Attachment 2)

**ISSUE 2:** If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

**RECOMMENDATION:** Yes. The Commission should adopt the changes to these rules as proposed if no requests for hearing or comments are filed. The docket may then be closed.

**STAFF ANALYSIS:** Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action.

CTM/

Attachments:  
Recommended Rule  
Economic Impact Memorandum

1  
2 **25-6.014 Records and Reports in General.**

3 (1) ~~Except as provided in Subsection (2),~~ Each  
4 investor-owned electric utility shall maintain its accounts and  
5 records in conformity with the ~~Federal Energy Regulatory~~  
6 ~~Commission's~~ Uniform System of Accounts (USOA) for Public Utilities  
7 and Licensees as found in the Code of Federal Regulations, Title  
8 18, Subchapter C, Part 101, for Major Utilities as revised April 1,  
9 1995, 1987 and as modified below. All inquiries relating to  
10 interpretation of the USOA ~~Uniform System of Accounts~~ shall be  
11 submitted to the Commission's Division of Auditing and Financial  
12 Analysis in writing.

13 (2) For ratemaking purposes only, each investor-owned  
14 electric utility shall accrue unbilled base rate revenues,  
15 excluding those base rate revenues recoverable through other cost  
16 recovery or adjustment mechanisms.

17 (3) Each utility shall establish and maintain continuing  
18 property records in conformity with the plant accounts prescribed  
19 in the USOA ~~Uniform System and Classification of Accounts.~~ The  
20 records ~~it~~ shall be compiled on the basis of original cost ~~(or~~  
21 ~~other book cost consistent with the provisions of the~~ USOA ~~Uniform~~  
22 ~~System and Classification of Accounts)~~. The continuing property  
23 records or records supplemental thereto shall contain such detailed  
24 description and classification of property record units that will  
25 permit their ready identification and verification. They shall be

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2 maintained in such manner as will meet the following basic  
3 objectives:

4 (a) An inventory of property record units which may be  
5 readily checked for proof of physical existence;

6 (b) The association of costs with such property record units  
7 to assure accurate accounting for retirements; and

8 (c) The determination of dates of installation and removal of  
9 plant to provide data for use in connection with depreciation  
10 studies.

11 ~~(a) The functional use, description and location of property~~  
12 ~~units in service.~~

13 ~~(b) Costs associated with property units to assure accurate~~  
14 ~~accounting for retirements.~~

15 ~~(c) The determination of the age, service life or other data~~  
16 ~~necessary for depreciation studies.~~

17 (4) Each utility shall furnish to the Commission at such time  
18 and in such form as the Commission may require, the results of any  
19 required tests and summaries of any required records. The Each  
20 utility shall also furnish the Commission with any information  
21 concerning the utility's ~~its~~ facilities or operation which the  
22 Commission may request and require for determining rates and  
23 judging the practices of the utility. All such data, unless  
24 otherwise specified, shall be consistent with and reconcilable with  
25 the utility's ~~its~~ Annual Report to the Commission.

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2  
3 (5) Upon direction of the Commission, or in the performance  
4 of delegated staff duties, any member of the Commission staff may  
5 make at any reasonable time a personal visit to the utility's  
6 offices or other places of business, and may inspect any facility,  
7 records, accounts, books, reports, and papers of the utility which  
8 may appear necessary in the discharge of Commission duties. During  
9 such visits the utility shall provide ~~the~~ staff member(s) with  
10 adequate and comfortable working and filing space, consistent with  
11 prevailing conditions and climate and comparable with the  
12 accommodations provided the utility's ~~company's~~ outside auditors.

13 (6) The Commission ~~has~~ prescribed the ~~Federal—Energy~~  
14 ~~Regulatory—Commission's~~ Uniform System of Accounts for Public  
15 Utilities and Licensees, as found in the Code of Federal  
16 Regulations, Title 18, Subchapter C, Part 101, for Major Utilities  
17 as revised April 1, 1995, ~~1987~~ to be used by Rural Electric  
18 Cooperative and Municipal Electric Utilities operating within the  
19 State. All inquiries relating to interpretations of the Uniform  
20 System of Accounts shall be submitted to the Commission's Division  
21 of Auditing and Financial Analysis ~~Electric and Gas~~ in writing.

22 ~~(7) Each investor owned electric utility, Rural Electric~~  
23 ~~Cooperative and Municipal Electric Utility shall file with the~~  
24 ~~Commission its chart of accounts as of the effective date of this~~  
25 ~~Rule showing compliance with the Uniform System and Classification~~

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2 ~~of Accounts as prescribed by the Commission, and shall also~~  
3 ~~periodically file revisions of said chart of accounts.~~

4 Specific Authority: 366.05(1), 350.127(2), F.S.

5 Law Implemented: 366.04(2)(a), 366.05(1), F.S.

6 History: Amended 7/29/69, 2/4/76, 8/21/79, 1/2/00, 11/18/82,  
7 formerly 25-6.14, Amended 10/1/86, 11/02/87, 7/20/89, 12/27/94,       
8           .

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
  
CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2 25-7.014 Records and Reports in General.

3 (1) ~~Except as provided in subsection (2),~~ Each natural gas  
4 utility shall maintain its accounts and records in conformity with  
5 the Uniform System ~~and Classification~~ of Accounts for Natural Gas  
6 Companies (USOA) as found ~~prescribed by the Federal Energy~~  
7 ~~Regulatory Commission~~ in the Code of Federal Regulations, Title 18,  
8 Subchapter F, Part 201, for Major Utilities as revised, April 1,  
9 1995, 1987 and as modified below. All inquiries relating to  
10 interpretation of the USOA ~~Uniform System and Classification of~~  
11 ~~Accounts~~ shall be submitted to the Commission's Division of  
12 Auditing and Financial Analysis in writing.

13 (2) ~~(a)~~ Each utility shall establish and maintain continuing  
14 property records in conformity with the plant accounts prescribed  
15 in the USOA ~~Uniform System and Classification of Accounts.~~ The  
16 records ~~It~~ shall be compiled on the basis of original cost ~~for~~  
17 other book cost consistent with the provisions of the USOA ~~Uniform~~  
18 ~~System and Classification of Accounts~~. The continuing property  
19 records or records supplemental thereto shall contain such detailed  
20 description and classification of property record units that will  
21 permit their ready identification and verification. They shall be  
22 maintained in such manner as will meet the following basic  
23 objectives:

24 (a) ~~(a)~~ An inventory of property record units which may be  
25 readily checked for proof of physical existence ~~It~~

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2        (b)2-        The association of costs with such property record  
3 units to assure accurate accounting for retirements, and

4        (c)3-        The determination of dates of installation and  
5 removal of plant to provide data for use in connection with  
6 depreciation studies.

7        (3)4-        For ratemaking purposes only, each investor-owned  
8 natural gas utility shall accrue unbilled base rate revenues,  
9 excluding those base rate revenues recoverable through other cost  
10 recovery or adjustment mechanisms.

11        (4)3-        Each utility shall furnish to the Commission at such  
12 time and in such form as the Commission may require, the results of  
13 any required tests and summaries of any required records. The  
14 utility shall also furnish the Commission with any information  
15 concerning the utility's facilities or operation which the  
16 Commission may request and require for determining rates and ~~or~~  
17 judging the practices of the utility. All such data, unless  
18 otherwise specified, shall be consistent with and reconcilable with  
19 the utility's Annual Report to the Commission.

20        (5)4-        ~~On and after the effective date of these rules, The~~  
21 results of all tests, summaries, records and reports required by ~~of~~  
22 ~~gas utilities by reason of these rules or other orders of the~~  
23 Commission (including the Annual ~~Financial~~ Report) shall, where  
24 appropriate, be reported on a therm basis rather than a volumetric  
25 or MCF basis.

CODING: Words underlined are additions; words in  
~~struck-through~~ type are deletions from existing law.

1  
2  
3        ~~(6)~~(5)        Upon direction of the Commission, or in the  
4 performance of delegated staff duties, any member of the Commission  
5 staff may make at any reasonable time a personal visit to the  
6 utility's offices or other places of business, and may inspect any  
7 facility, records, accounts, books, reports, and papers of the  
8 utility which may appear necessary in the discharge of Commission  
9 duties. During such visits the utility shall provide the staff  
10 member(s) with adequate and comfortable working and filing space,  
11 consistent with prevailing conditions and climate and comparable  
12 with the accommodations provided the utility's ~~company's~~ outside  
13 auditors.

14        ~~(6) Each natural gas utility shall file with the Commission~~  
15 ~~its chart of accounts as of the effective date of this rule,~~  
16 ~~showing compliance with the Uniform System and Classification of~~  
17 ~~Accounts as prescribed by the Commission, and shall also~~  
18 ~~periodically file revisions of said chart of accounts.~~

19 Specific Authority: 366.05(1), 350.127(2), F.S.

20 Law Implemented: 366.05(1), F.S.

21 History: Amended 7/19/72, Repromulgated 1/8/75, 5/4/75, Amended  
22 12/30/75, 9/28/81, 11/18/82, formerly 25-7.14, Amended 10/1/86,  
23 4/4/88, 7/20/89, 12/27/94, \_\_\_\_\_.

24  
25  
CODING: Words underlined are additions; words in  
~~struck through~~ type are deletions from existing law.

MEMORANDUM

December 8, 1995

TO: DIVISION OF APPEALS (Moore)

FROM: DIVISION OF RESEARCH AND REGULATORY REVIEW (Harlow) *JSH PO BMD*

SUBJECT: ECONOMIC IMPACT STATEMENT FOR PROPOSED REVISIONS TO RULES 25-6.014, FAC, RECORDS AND REPORTS IN GENERAL (ELECTRIC); AND 25-7.014, FAC, RECORDS AND REPORTS IN GENERAL (GAS)

---

The rules referenced above delineate the record keeping criteria for electric and gas utilities. The rules currently state that utilities must maintain records in accordance with the Code of Federal Regulation, Uniform System of Accounts (USOA) effective April 1, 1987. The proposed rule amendments would require utilities to maintain records in accordance with the updated USOA effective April 1, 1995.

The rule amendments are expected to have no significant costs on electric and gas utilities. All indications are that the utilities affected by the proposed rule revisions have already adopted the USOA effective April 1, 1995. In addition, the companies should benefit from the removal of the requirement to file copies of the USOA with the Commission. No additional costs for Commission staff are expected to result from the rule revisions.

The Florida statutes require an agency to prepare an economic impact statement if a rule revision results in any "substantial increase in costs" or "significant adverse effects" to the parties directly affected, including state and local governmental entities. Since no additional costs or adverse impacts have been identified, there is no need for preparation of an EIS for the proposed rule changes.

Please keep my name on the CASR.

JGH:tf/m-stff6

cc: Mary Andrews Bane  
Hurd Reeves