

ORIGINAL
FILE COPY

MEMORANDUM

April 2, 1996

TO : DIVISION OF RECORDS & REPORTING

FROM : CHRISTIANA T. MOORE, ASSOCIATE GENERAL COUNSEL *CTM*

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

Attached is an original and three copies of the certification of Rules 25-6.014 and 25-7.015, F.A.C. The Department of State must receive the original and two copies of the certification no later than 5:00 p.m., April 2, 1996. The Certification includes:

- (1) An original and two certified copies of Rules 25-6.014 and 25-7.014, F.A.C.;
- (2) A summary of the rules;
- (3) A summary of the hearing on the rules; and
- (4) A written statement of the facts and circumstances justifying the rules.

CRT25-014.MRD
Attachments

ACK _____

AFA _____

APP _____

CAF _____

CMH _____

CTR _____

EAC _____

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03962 APR-4 96
FPSC-RECORDS/REPORTING

CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

(a) And are filed not more than 90 days after the notice; or

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(e) Are filed within 21 days after the date the transcript was received by this agency.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

<u>Rule No.</u>	<u>Rulemaking Authority</u>	<u>Specific Law Being Implemented, Interpreted or Made Specific</u>
25-6.014	366.05(1), 350.127(2), FS.	366.04(2)(a), 366.05(1), FS.

Under the provision of paragraph 120.54(13)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



BLANCA S. BAYO, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

CTM

1 25-6.014 Records and Reports in General.

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

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

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

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

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

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

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

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

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

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

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

23 (5) Upon direction of the Commission, or in the performance
24 of delegated staff duties, any member of the Commission staff may
25 make at any reasonable time a personal visit to the utility's

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1 offices or other places of business, and may inspect any facility,
2 records, accounts, books, reports, and papers of the utility which
3 may appear necessary in the discharge of Commission duties. During
4 such visits the utility shall provide the staff member(s) with
5 adequate and comfortable working and filing space, consistent with
6 prevailing conditions and climate and comparable with the
7 accommodations provided the utility's ~~company's~~ outside auditors.

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

17 ~~(7) Each investor owned electric utility, Rural Electric~~
18 ~~Cooperative and Municipal Electric Utility shall file with the~~
19 ~~Commission its chart of accounts as of the effective date of this~~
20 ~~Rule showing compliance with the Uniform System and Classification~~
21 ~~of Accounts as prescribed by the Commission, and shall also~~
22 ~~periodically file revisions of said chart of accounts.~~

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

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

25 History: Amended 7/29/69, 2/4/76, 8/21/79, 1/2/80, 11/18/82,

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1 formerly 25-6.14, Amended 10/1/86, 11/02/87, 7/20/89, 12/27/94, _____

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SUMMARY OF RULE

Rule 25-6.014 requires electric utilities to keep their records and accounts in accordance with the Uniform System of Accounts as revised through April 1, 1995.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

Rule 25-6.014 currently requires electric 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 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 rule is to require electric utilities to use an outdated version of the USOA.

The requirement in section 25-6.014(6) 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 Rules 25-6.014 and 25-7.014.

CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

(a) And are filed not more than 90 days after the notice; or

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(e) Are filed within 21 days after the date the transcript was received by this agency.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

<u>Rule No.</u>	<u>Rulemaking Authority</u>	<u>Specific Law Being Implemented, Interpreted or Made Specific</u>
25-7.014	366.05(1), 350.127(2), FS.	366.05(1), FS.

Under the provision of paragraph 120.54(13)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



BLANCA S. BAYO, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

CTM

1 25-7.014 Records and Reports in General.

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

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

23 (a)1- An inventory of property record units which may be
24 readily checked for proof of physical existence~~1-~~

25 (b)2- The association of costs with such property record

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1 units to assure accurate accounting for retirements, and

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

5 ~~(3)42-~~ For ratemaking purposes only, each investor-owned
6 natural gas utility shall accrue unbilled base rate revenues,
7 excluding those base rate revenues recoverable through other cost
8 recovery or adjustment mechanisms.

9 ~~(4)43-~~ Each utility shall furnish to the Commission at such
10 time and in such form as the Commission may require, the results of
11 any required tests and summaries of any required records. The
12 utility shall also furnish the Commission with any information
13 concerning the utility's facilities or operation which the
14 Commission may request and require for determining rates and ~~ex~~
15 judging the practices of the utility. All such data, unless
16 otherwise specified, shall be consistent with and reconcilable with
17 the utility's Annual Report to the Commission.

18 ~~(5)44-~~ ~~On and after the effective date of these rules, the~~
19 results of all tests, summaries, records and reports required by ~~of~~
20 ~~gas utilities by reason of these rules or other orders of the~~
21 Commission (including the Annual ~~Financial~~ Report) shall, where
22 appropriate, be reported on a therm basis rather than a volumetric
23 or MCF basis.

24 ~~(6)45-~~ Upon direction of the Commission, or in the
25 performance of delegated staff duties, any member of the Commission

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

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

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

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

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

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SUMMARY OF RULE

Rule 25-7.014 requires gas utilities to keep their records and accounts in accordance with the Uniform System of Accounts as revised through April 1, 1995.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

Rule 25-7.014 currently requires 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 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 gas utilities to use an outdated version of the USOA.

The requirement in section 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 are for clarity or to remove some inconsistencies between the electric and gas rules.