

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Repeal of Rule) DOCKET NO. 941004-PU
25-4.018, F.A.C., Annual) ORDER NO. PSC-94-1517-FOF-PU
Reports; Amendment of 25-4.0185,) ISSUED: December 8, 1994
F.A.C., Periodic Reports, Rules)
25-6.014, and 25-7.014, F.A.C.,)
Records and Reports in General;)
and Rule 25-24.480, Records and)
Reports, Rules Incorporated, and)
Adoption of Rules 25-4.135, 25-)
4.1351, 25-6.135, 25-6.1351, 25-)
7.135, and 25-7.1351, F.A.C.,)
Annual Reports and)
Diversification Reports)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF ADOPTION

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has repealed Rule 25-4.018, F.A.C., Annual Reports; adopted amendments to Rule 25-4.0185, F.A.C., Periodic Reports, and Rule 25-24.480, Records and Reports; Rules Incorporated, and adopted Rules 25-4.135, and 25-4.1351, F.A.C., Annual Reports and Diversification Reports, without changes.

The rules were filed with the Department of State on December 7, 1994, and will be effective on December 27, 1994. A copy of the rules as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

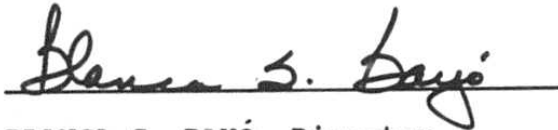
DOCUMENT NUMBER-DATE

12373 DEC-8 8

FPSC-RECORDS/REPORTING

ORDER NO. PSC-94-1517-FOF-PU
DOCKET NO. 941004-PU
PAGE 2

By ORDER of the Florida Public Service Commission, this 8th
day of December, 1994.

A handwritten signature in cursive script, reading "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

25-4.018 Annual Reports.

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

Law Implemented: 364.17, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.18,
Amended 12/16/86, 7/20/89, 8/23/90, Repealed 12/27/94.

25-4.0185 Periodic Reports.

(1) Each telephone company shall file with the Commission's Division of Communications the information required by Commission Form PSC/CMU 28 (12/86) which is incorporated into this rule by reference. Form PSC/CMU 28 (12 8/86), entitled Engineering Data Requirements, ~~effective on December, 1986~~ may be obtained from the Commission's Division of Communications.

(a) The information required by schedules 1 and 21 of Form PSC/CMU 28 (12/86) shall be reported on an annual basis and shall be filed on or before the end of the month following the reporting year.

(b) The information required by schedules 2 through 18 inclusive and schedule 20 of Form PSC/CMU 28 (12/86) shall be reported on a quarterly basis and shall be filed on or before the end of the month following the reporting quarter.

(c) The information required by Schedule 19 of Form PSC/CMU 28 (12/86) shall be reported on a semi-annual basis and shall be filed on or before the end of the month following the second and fourth quarters.

(d) Each interexchange telephone company shall only report the information required by schedule 13 of Form PSC/CMU 28 (12/86). This information shall be reported on a quarterly basis and shall be filed on or before the end of the month following the reporting quarter.

(2) Each interexchange telephone company subscribing to Feature Group C or D access from a local exchange telephone company shall file with the Commission's Division of Communications the information required by Commission Form PSC/CMU 29 (12/86), reported on a quarterly basis, on or before the end of the month following the reporting quarter. Form PSC/CMU 29 (12/86), entitled Interexchange Carrier Serving Arrangements, is incorporated into this rule by reference, ~~was effective on August 5, 1986~~ and may be obtained from the Commission's Division of Communications.

~~(3) Each local exchange telephone company shall file information on its affiliates and affiliated transactions on Commission Form PSC/AFA/6 (7/89) which is incorporated into this rule by reference. Form PSC/AFA/6 (7/89), entitled "Analysis of Diversification Activities" was effective July 20, 1989 and may be obtained by contacting the Commission's Division of Auditing and Financial Analysis.~~

~~(4) Within 45 days of the adoption of this subsection or within 45 days of coming under the jurisdiction of the Commission,~~

~~each local exchange telephone company shall file, on Schedules 5, 6, and 7 of Form PSC/AFA/6 (7/89), with this Commission:~~

~~(a) The names of affiliated companies, including partnerships, minority interests, and joint ventures.~~

~~(b) A description, by type of affiliated transaction, of the bases of transfer prices (i.e. market, competitive bid, cost, cost plus), and cost allocations (direct charge, formula, etc.) and how the bases are determined. Excluding tariffed transactions, the types of affiliated transactions to be accounted for are:~~

- ~~1. Affiliated transfers of goods or services;~~
- ~~2. Affiliated cost allocations; and,~~
- ~~3. Affiliated transfers of assets or the right to use assets (i.e. real property, personal property, and intangible property). Intangible property includes but is not limited to: rights to access customer files, rights to computer software, pole attachment rights, copyrights, and patent rights associated with local exchange telephone company research and development.~~

~~(c) A listing of all contracts and leases with affiliated companies and a synopsis of each contract including, but not limited to, the terms, price, quantity, amount, and duration.~~

~~(d) Definitions~~

- ~~1. Local exchange telephone company — Any local exchange telephone company subject to the ratemaking jurisdiction of the Florida Public Service Commission.~~

~~2. Affiliate Any entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a local exchange telephone company. Ownership of 5% or more of the voting securities of an entity shall be conclusively deemed to constitute the control thereof.~~

~~3. Affiliated Transaction Any transaction in which both a local exchange telephone company and an affiliate thereof are each participants other than transactions related to the filing of consolidated tax returns.~~

~~(5) Each local exchange telephone company shall provide quarterly notice of the following events, in writing, on Schedules 1, 8, and 9 of Form PSC/AFA/6 (7/89), for each preceding quarter:~~

~~(a) Individual affiliated transactions in excess of \$500,000. Recurring monthly affiliated transactions which exceed \$500,000 per month should not be reported (after the first such transaction) except annually. However, each land or property sale transaction, even though similar sales recur, should be reported as a "non-recurring" item for the quarter in which it occurs.~~

~~(b) Mergers, reorganizations, formation of a new affiliate or subsidiary, or other change in corporate structure.~~

~~(c) Execution of new contracts, agreements, or arrangements with affiliated companies for the purchase, lease, or sale of land, goods, or services including amendments to existing contracts, agreements, or arrangements, with the exception of tariffed items,~~

~~and a synopsis of each new or amended contract, agreement, or arrangement. The synopsis shall include, but not be limited to, the terms, price, quantity, amount, and duration.~~

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

Law Implemented: 364.03, 364.17, F.S.

History: New 12/16/86, Amended 7/20/89, 12/27/94.

25-4.135 Annual Reports.

(1) Each local exchange telephone company shall file annual reports with the Commission on Commission Form PSC/AFA 18 (12/94) which is incorporated by reference into this rule. Form PSC/AFA 18, entitled "Annual Report of Local Exchange Telephone Companies", may be obtained from the Commission's Division of Auditing and Financial Analysis. These reports shall be verified by a responsible accounting officer of the utility making the report and shall be due on or before April 30 for the preceding calendar year. A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis no later than April 30. One extension of 31 days will be granted upon request. A request for a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed.

(2) The company shall also file with the original and each copy of the annual report form, or separately within 30 days, a letter or report, signed by an independent certified public

accountant, attesting to the conformity in all material respects of the following schedules and their applicable notes of Form PSC/AFA 18 with the Commission's applicable uniform system of accounts and published accounting releases:

- (a) Schedule B-1 Balance Sheet
- (b) Schedule B-2 Statement of Cash Flows
- (c) Schedule I-1 Income Statement

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

Law Implemented: 364.17, F.S.

History: New 12/27/94.

25-4.1351 Diversification Reports.

(1) Each local exchange telephone company shall file information on its affiliates and affiliated transactions on Commission Form PSC/AFA 16 (12/94) which is incorporated into this rule by reference. Form PSC/AFA 16, entitled "Analysis of Diversification Activities", may be obtained from the Commission's Division of Auditing and Financial Analysis.

(2) Definitions

(a) Affiliate - Any entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a local exchange telephone company. Ownership of 5 percent or more of the voting securities of an entity shall be conclusively deemed to constitute the control thereof.

(b) Affiliated Transaction - Any transaction in which both a local exchange telephone company and an affiliate thereof are each participants other than transactions related to the filing of consolidated tax returns.

(3) Within 45 days of coming under the jurisdiction of the Commission, each local exchange telephone company shall file Schedules 1, 7, and 8 of Form PSC/AFA 16 with the Division of Auditing and Financial Analysis.

(4) Each local exchange telephone company shall file Schedules 1 - 6 of Form PSC/AFA 16 as an attachment to its annual report.

(5) Each local exchange telephone company shall keep a detailed backup report of the summary report to facilitate auditing and analysis. Each local exchange telephone company shall maintain a clear audit trail from the summary report through the general ledger to the source documents supporting the reported transactions.

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

Law Implemented: 364.17, F.S.

History: New 12/27/94.

25-24.480 Records & Reports; Rules Incorporated.

(1) The following rules are incorporated herein by reference and apply to interexchange companies. In these rules, the word

'local' should be omitted or interpreted as 'toll', as they shall apply only to interexchange and not local service.

(a) The following rules apply to all companies:

<u>Section</u>	<u>Title</u>	<u>Portions not Applicable</u>
25-4.019	Records and Reports in General	None
25-4.020	Location and Preservation of Records	(1), (3)
25-4.043	Inquiries	None
25-4.0161	Regulatory Assessment Fees	None
25-4.079	Hearing/Speech Impaired Persons	Subsections (1), (2), (3), and (5)
25-4.115	Directory Assistance	Subsections (1) and (2)

(b) The following rules apply to major interexchange companies only:

<u>Section</u>	<u>Title</u>	<u>Portions not Applicable</u>
25-4.017	Uniform System of Accounts	Subsections (2), (3), (4), (5), (6), (7) (8), (9), (10)
25-4.135 25-4.018	Annual Reports	Subsection (2)
25-4.135 25-4.0245	<u>Earnings Surveillance</u>	None

~~Rate of Return~~ Report

(2) Each minor interexchange company shall file, with the Commission's Division of Communications, an updated list of exchanges where originating service is offered. This exchange list shall be filed within 10 days of service being offered or discontinued in an exchange area, on Appendix A of Form PSC/CMU 31 (4/91).

(3) Each company shall file updated information for the following items with the Division of Communications and the Division of Records and Reporting within 10 days after such changes occur.

(a) The address of the certificate holder's main corporate and Florida offices (if any), including street name and address and post office box, city, state and zip code.

(b) Telephone number, name, and address of the individual who is to serve as primary liaison with the Commission in regards to the ongoing Florida operations of the certificated company.

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

Law Implemented: 350.113, 350.115, 350.117, 364.17, 364.18, 364.185, 364.337, F.S.

History: New 2/23/87, Amended 4/5/88, 7/11/88, 6/30/90, 10/25/90, 11/20/91, 12/29/91, 12/22/92, 12/27/94.