

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Amendment of) DOCKET NO. 961515-EI
Rule 25-6.0142, F.A.C., Uniform) ORDER NO. PSC-97-0061-NOR-EI
Retirement Units for Electric) ISSUED: January 17, 1997
Utilities.)
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_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to amend Rule 25-6.0142, Florida Administrative Code, relating to Uniform Retirement Units for Electric Utilities.

The attached Notice of Rulemaking will appear in the January 24, 1997, edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following time and place:

Florida Public Service Commission
9:30 a.m., February 28, 1997
Betty Easley Conference Center
Room 152, 4075 Esplanade Way
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, no later than February 14, 1997.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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By ORDER of the Florida Public Service Commission, this 17th
day of January, 1997.

BLANCA S. BAYÓ, Director
Division of Records & Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

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for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), 366.05(1), F.S.

LAW IMPLEMENTED: 350.115, 366.041, 366.06(1), F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE 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.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., February 28, 1997

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.0142 Uniform Retirement Units for Electric Utilities.

(1) The rules and definitions set forth below are intended to establish uniform retirement units and establish capitalization versus expensing guidelines for electric utilities and do not relieve any utility from maintaining its accounts and records in conformity with the Uniform System of Accounts prescribed by the Code of Federal Regulations, Title 18, Chapter I, Subchapter C,

Part 101 as adopted by Rule 25-6.014 except as provided in herein subsections (2) through (12) of this rule.

(2) For the purpose of this Rule, the following definitions shall apply:

(a) Cradle-To-Grave Accounting - An accounting method which treats a unit of plant as being in service from the time it is first purchased until it is finally junked or is ~~otherwise~~ finally disposed of in another manner. The period in shop for refurbishing, or in stock/inventory awaiting reinstallation is treated as being in service.

(b) through (f) No change.

(3) All utility plant shall be considered as consisting of retirement units and minor items of property. Each utility will implement a list of retirement units in conformity with the Commission's "List of Retirement Units (Electrical Plant) as of March 30, 1997 ~~September 15, 1987~~" (hereinafter referred to as "List"), as of the beginning of the next fiscal year following the adoption of this rule. A utility may further subdivide retirement units in order to achieve a list more reflective of common, major replacement items providing that the cost of the additional subdivided unit is \$500 or more. The Director of the Division of Auditing and Financial Analysis, Florida Public Service Commission, shall be notified annually of additions and subdivisions to the

utility's retirement unit List with explanations of the nature and justification.

(4) The addition and retirement of retirement units as set forth in the List incorporated in this rule shall be accounted for as follows:

(a) When a retirement unit meeting the capitalization criteria set forth in the List as well as that set forth in subsection (11) is installed, the total installed cost shall be added to the appropriate plant account. Installed cost includes the associated labor, material, and installation cost.

(b) When a retirement unit is retired, with or without a replacement, the book cost of the retiring unit shall be credited to the plant account in which it is included and likewise debited to the associated account reserve. The cost is to be determined from the company's records. If it cannot be, it is to be estimated. Any cost of removal and gross salvage associated with the retirement shall likewise be debited and credited, respectively, to the account reserve. The retirement entry shall be recorded no later than two months ~~one month~~ following the transfer of expenditures from Construction Work In Progress (Account 107) to Electric Plant in Service (Account 101/106). Associated cost of removal charges will be recorded when incurred and gross salvage will be recorded when received.

(c) No change.

(5) No change.

(6) The addition and retirement of items such as meters and transformers may be accounted for as cradle-to-grave, ~~in~~ in which case the cost for refurbishing these items shall be charged to the appropriate expense accounts.

(7) No change.

(8) All maintenance costs, whether the work is done by the utility or under contract, shall be expensed. Unusual or extraordinary expenses can be amortized over a reasonable period of time as determined by the Commission. The costs of keeping equipment and plant in good condition shall be accounted for as maintenance expenses. Included in this classification are the costs of material and labor associated with the upkeep of plant such as:

(a) through (b) No change.

(c) Miscellaneous expenses like shop repairs, tool expenses, and motor vehicle expenses.

(d) through (i) No change.

(9) through (11) No change.

(12) The "List of Retirement Units (Electrical Plant), Effective March 30, 1997 ~~September 15, 1987~~" published by the Florida Public Service Commission is incorporated herein by reference. A copy of the List may be obtained ~~by requesting same~~ from the Director of the Division Auditing and Financial Analysis,

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Florida Public Service Commission, 2540 Shumard Oak Boulevard,
Tallahassee, Florida 32399-0850.

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

Law Implemented: 350.115, 366.041, 366.06(1), F.S.

History: New 9-6-87, Amended 3-19-92, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pat Lee

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: January 7, 1997

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: November
15, 1996.

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.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).