

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of  
Rules 25-7.014, 25-7.015, 25-  
7.135, 25-7.1352, and 25-7.1353,  
and proposed repeal of Rule 25-  
7.1351, F.A.C.

DOCKET NO. 030712-GU  
ORDER NO. PSC-03-1319-FOF-GU  
ISSUED: November 19, 2003

The following Commissioners participated in the disposition of  
this matter:

LILA A. JABER, Chairman  
J. TERRY DEASON  
BRAULIO L. BAEZ  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON


NOTICE OF ADOPTION OF RULE AMENDMENTS

NOTICE is hereby given that the Florida Public Service  
Commission, pursuant to Section 120.54, Florida Statutes, has  
adopted the amendments to Rules 25-7.014, 25-7.015, 25-7.135, 25-  
7.1352, 25-7.1353 and proposed repeal of Rule 25-7.1351, Florida  
Administrative Code, relating to records, without changes.

The rule amendments were filed with the Department of State on  
November 18, 2003 and will be effective on December 8, 2003. A  
copy of the rule as filed with the Department is attached to this  
Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 19th  
day of November, 2003.

  
BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

( S E A L )

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DOCUMENT NUMBER

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25-7.014 Records and Reports in General.

(1) Each natural gas utility shall maintain its accounts and records in conformity with the Uniform System of Accounts for Natural Gas Companies (USOA) as found in the Code of Federal Regulations, Title 18, Subchapter F, Part 201, for Major Utilities as revised, April 1, 2002 ~~2000~~, and as modified below. All inquiries relating to interpretation of the USOA shall be submitted to the Commission's Division of Economic Regulation in writing.

(2) Each utility shall establish and maintain continuing property records in conformity with the plant accounts prescribed in the USOA. The records shall be compiled on the basis of original cost or other book cost consistent with the provisions of the USOA. The continuing property records or records supplemental thereto shall contain such detailed description and classification of property record units that will permit their ready identification and verification. They shall be maintained in such manner as will meet the following basic objectives:

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

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

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

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

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

(5) The results of all tests, summaries, records and reports required by the Commission (including the Annual Report) shall, where appropriate, be reported on a therm basis rather than a volumetric or MCF basis.

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

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

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

History: Amended 7/19/72, Repromulgated 1/8/75, 5/4/75, Amended 12/30/75, 9/28/81, 11/18/82, formerly 25-7.14, Amended 10/1/86, 4/4/88, 7/20/89, 12/27/94, 4/22/96, 12/08/03.

25-7.015 Location and Preservation of Records.

(1) All records that a utility is required to keep, by reason of these or other rules prescribed by the Commission, shall be kept at the office or offices of the utility within the state, unless otherwise authorized by the Commission. Such records shall be open

for inspection by the Commission or its authorized representatives at any and all reasonable times.

(2) Any utility that keeps its records outside of the state shall reimburse the Commission for the reasonable travel expense incurred by each Commission representative during any review of the out-of-state records of the utility or its affiliates. Reasonable travel expenses are those travel expenses that are equivalent to travel expenses paid by the Commission in the ordinary course of its business.

(a) The utility shall remit reimbursement for out-of-state travel expenses within 30 days from the date the Commission mails the invoice.

(b) The reimbursement requirement in subsection (2) shall be waived:

1. For any utility that makes its out-of-state records available at the utility's office located in Florida or at another mutually agreed upon location in Florida within 10 working days from the Commission's initial request. If a utility would like more than 10 working days, it must submit a request for approval of a time extension stating the date by which it would like to make the records available. A request for approval of a time extension

shall only be granted for good cause. To establish good cause for a time extension, the utility must show that:

- a. the nature of the issues, the volume of the records, or the type of record is such that assembling and providing the records requires more than 10 days;
- b. the utility has worked diligently to assemble the records;  
and
- c. the additional time requested is both reasonable and necessary given the utility's particular circumstances.

~~If 10 working days is not reasonable because of the complexity and nature of the issues involved or the volume and type of material requested, the Commission may establish a different time frame for the utility to bring records into the state. For individual data requests made during an audit, the response time frame established in Rule 25-7.0151, Florida Administrative Code, shall control; or~~

2. For a utility whose records are located within 50 miles of the Florida state line.

(3) All records shall be preserved in accordance with the Federal Energy Regulatory Commission's regulations, Title 18, Subchapter F, Part 225, Code of Federal Regulations, entitled "Preservation of Records of Natural Gas Companies" as revised,

April 1, 2002 ~~1994~~, which is incorporated by reference into this rule, with the exception of the records listed in section (3)(a) of this rule. ~~Item 64 (Records of predecessors and former associates) of the Schedule of records and periods of retention contained in Title 18, Subchapter F, Section 225.3, Code of Federal Regulations.~~ Instead, utilities shall retain records listed in section (3)(a) of this rule for the periods indicated. ~~of acquired companies until permission for disposal is petitioned for and approved by the Florida Public Service Commission.~~

(a) The Code of Federal Regulations Items listed below are exceptions to the Schedule of Records and Periods of Retention contained in Title 18, Subchapter F, Section 225.3, Code of Federal Regulations:

1. Item 2(a), minute books of stockholders', directors', and directors' committee meetings, earlier of 20 years or termination of corporation's existence;
2. Item 6(a)(1), general ledgers, 20 years;
3. Item 6(a)(2), ledgers subsidiary or auxiliary, 20 years;
4. Item 7, journals: general and subsidiary, 20 years;
5. Item 8(a), journal vouchers and journal entries, 20 years;

6. Item 20(a), appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies (includes all records essential thereto.), 10 years after appraisal.

~~(b)(a)~~ However, all source documents retained as required by Title 18, Subchapter F, Part 225, Code of Federal Regulations shall be maintained in their original form for a minimum of three years, or for any lesser period of time specified for that type of record in Title 18, Subchapter F, Part 225, Code of Federal Regulations, after the date the document was created or received by the utility. This paragraph does not require the utility to create paper copies of documents where the utility would not otherwise do so in the ordinary course of its business. A utility may request approval to ~~The Commission may~~ waive the requirement that documents be retained in their original form. Such request must show ~~upon a showing by a utility~~ that the utility ~~it~~ employs a storage and retrieval system that consistently produces clear, readable copies that are substantially equivalent to the originals, and clearly reproduces handwritten notations on documents.

~~(c)(b)~~ The utility shall maintain written procedures governing the conversion of source documents to a storage and



retrieval system, which procedures ensure the authenticity of documents and the completeness of records. Records maintained in the storage and retrieval system must be easy to search and easy to read.

Specific Authority: 366.05(1)(9), & (11), 366.08, 366.093(1), 350.127(2), F.S.

Law Implemented: 366.05(1)(9) & (11), 366.08, 366.093(1), F.S.

History: Amended 7/19/72, Repromulgated 1/8/75, Amended 12/30/75, 9/28/81, 11/28/82, 10/1/86, 4/4/88, 11/13/95, 12/08/03.

25-7.135 Annual Reports.

(1) Each investor-owned natural gas utility shall file annual reports with the Commission on Commission Form PSC/ECR 020-G(12/03) ~~20-(4/96)~~ which is incorporated by reference into this rule. Form PSC/ECR 020-G ~~20~~, entitled "Annual Report of Natural Gas Utilities", may be obtained from the Commission's Division of Economic Regulation. These reports shall be verified by a responsible accounting officer of the company making the report and shall be due on or before April 30 for the preceding calendar year. A utility may file a written request for an extension of time with the Division of Economic Regulation no later than April 30. One extension of 31 days will be granted upon request. A request for

Commission approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed. Good cause means a demonstration that the utility has worked diligently to prepare the report and that the additional time period requested to submit the report is both reasonable and necessary.

(2) The utility 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 Comparative Balance Sheet, Statement of Income, ~~and Statement of Cash Flows~~ and any applicable notes from Form PSC/ECR 020-G 20 with the Commission's applicable uniform system of accounts and published accounting releases.

(3) Any utility which is on a fiscal year other than the calendar year may file the schedules and certification letter required by subsection (2) on a fiscal year basis within 90 days from the close of its fiscal year. A complete annual report, except for the certification letter, shall also be filed on a calendar year basis by these utilities.

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

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

History: New 12/27/94, amended 4/15/96, 12/08/03.

25-7.1351 Diversification Reports.

~~(1) Each new investor-owned gas utility shall file information on its affiliates and affiliated transactions on Commission Form PSC/ECR 16 (12/94) which is incorporated into this rule by reference. Form PSC/ECR 16, entitled "Analysis of Diversification Activities", may be obtained from the Commission's Division of Economic Regulation.~~

~~(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 gas utility. 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 gas utility 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 investor-owned gas utility shall file Schedules 1,~~

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~~7, and 8 of Form PSC/ECR 16 with the Division of Economic Regulation.~~

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

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

History: New 12/27/94, amended 4/15/96, repealed 12/08/03.

25-7.1352 Earnings Surveillance Report.

(1) Each investor-owned natural gas utility shall file rate of return data using Commission Form PSC/ECR 013-G(12/03) ~~13~~ ~~(5/96)~~, which is incorporated by reference into this rule. Form PSC/ECR 013-G ~~13~~, entitled "Investor-Owned Natural Gas Utility Earnings Surveillance Report," may be obtained from the Commission's Division of Economic Regulation.

(2) The report shall be filed:

(a) Quarterly ~~Monthly~~, by the 15th day of the second month following the reported quarter ~~month~~ for natural gas utilities with 25,000 ~~50,000~~ or more customers.

~~(b) Quarterly, by the 15th day of the second month following the reported quarter for natural gas utilities with fewer than 50,000 customers and more than 5,000 customers.~~

~~(b)(c)~~ Semiannually, by the 15th day of the second month following the reported period for natural gas utilities with 25,000 ~~5,000~~ or fewer customers.

(3) A utility may file a written request for an extension of time with the Division of Economic Regulation prior to the due date of the report. One extension of 31 days will be granted upon request. A request for Commission approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the utility proposes to file the report. the report will be filed. Good cause means a demonstration that the utility has worked diligently to prepare the report and that the additional time period requested to submit the report is both reasonable and necessary.

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

Law Implemented: 350.117(1), 366.04(2)(f), F.S.

History: New 11/18/82, formerly 25-7.24, Amended 4/23/92, formerly 25-7.024, Amended 6/10/94, 5/8/96, 12/08/03.

25-7.1353 Forecasted Earnings Surveillance Report.

(1) Each investor-owned natural gas utility with more than 50,000 customers ~~that is not under an incentive regulation plan or not subject to an earnings cap~~ shall file with the Commission its

forecasted financial information on Commission Form PSC/ECR 023-G (12/03) ~~23~~ ~~(1/95)~~ which is incorporated into this rule by reference. Form PSC/ECR 023-G ~~23~~, entitled "Investor-Owned Natural Gas Utility Forecasted Earnings Surveillance Report", may be obtained from the Commission's Division of Economic Regulation. The report shall be verified by the responsible officer of the utility making the report. The report shall be due no later than 60 days after the end of the fiscal year, and shall contain the forecasted financial information for the following fiscal year.

(2) A utility may file a written request for an extension of time with the Division of Economic Regulation no later than 60 days after the end of the fiscal year. One extension of 15 days will be granted upon request. A request for approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the utility proposes to file the report. report will be filed. Good cause means a demonstration that the utility has worked diligently to prepare the report and that the additional time period requested to submit the report is both reasonable and necessary.

(3) If during the course of the forecast fiscal year the utility should revise its forecasted financial information as a

result of a change in a forecast assumption such that its forecasted annual return on equity changes by more than 25 basis points, whether as a result of a single or several events or assumptions, the utility shall provide the Commission with the following information within 30 days of the revised forecast:

(a) A description of the revised forecast assumptions or other events that caused the forecasted return on equity to be revised.

(b) An estimate of the revised annual return on equity.

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

Law Implemented: 350.117(1), 366.05(1), F.S.

History: New 1/11/95, amended 12/08/03.