

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Amendment of Rule 25-6.014, F.A.C.,  
Records and Reports in General, Rule 25-  
6.015, F.A.C., Location and Preservation of  
Records, Rule 25-7.014, F.A.C., Records and  
Reports in General, Rule 25-7.015. F.A.C.,  
Location and Preservation of Records, and  
Rule 25-7.0461, F.A.C., Capitalization Versus  
Expensing.

DOCKET NO. 140124-PU  
ORDER NO. PSC-14-0671-NOR-PU  
ISSUED: December 1, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman  
LISA POLAK EDGAR  
RONALD A. BRISE  
EDUARDO E. BALBIS  
JULIE I. BROWN

NOTICE OF RULEMAKING

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has proposed the amendment of Rules 25-6.014, 25-6.015, 25-7.014, 25-7.015, and 25-7.0461, Florida Administrative Code, relating to the inspection of records, accounting principles, and record keeping requirements for electric and gas utilities.

The attached Notices of Proposed Rule appeared in the November 26, 2014, edition of the Florida Administrative Register.

If timely requested, a hearing will be held at a time and place to be announced in a future notice. Written requests for hearing and written comments on the rules must be received by the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, no later than December 22, 2014.

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By ORDER of the Florida Public Service Commission this 1st day of December, 2014.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

PHP

Notice of Proposed Rule

**PUBLIC SERVICE COMMISSION**

RULE NOS.:     RULE TITLES:

25-6.014       Records and Reports in General

25-6.015       Location and Preservation of Records

PURPOSE AND EFFECT: The amendments conform the rules to the current federal Uniform System of Accounts applicable to electric utilities. The rules have been generally updated and clarified for greater usability.

Docket No. 140124-PU.

SUMMARY: The amendments clarify and update the rules to current accounting standards and principles as found in the U.S. Code of Federal Regulations. The amendments also eliminate the requirement that electric utilities retain original source documents for a minimum of three years where the documents have been added to a storage and retrieval system, remove provisions of the rules that reiterate statutory language, and reflect accounting practices presently used by electric utilities.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the Agency.

The SERC examined the factors required by Section 120.541(2)(c), F.S., and concluded that the rule amendment will not have an adverse impact on economic growth, business competitiveness, or small business and that there would likely be transactional cost savings to the individual and entities, including government entities, required to comply with the rule. It is anticipated that investor-owned electric utilities may benefit from the rule updating and clarification efforts.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1) FS.

LAW IMPLEMENTED: 350.115, 366.02(2), 366.04(2)(a), (f), 366.05(1), (9), (11), 366.08, 366.093(1) FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pamela H. Page, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6214, [php@psc.state.fl.us](mailto:php@psc.state.fl.us)

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.014 Records and Reports in General.

(1) Except as modified in subsection (2), eEach investor-owned electric utility shall maintain its accounts and records in conformity with the Uniform System of Accounts (USOA) for Public Utilities and Licensees as found in the Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities (2013) as revised April 1, 2002, which is hereby incorporated by reference into this rule and may be accessed at <http://www.flrules.org>[hyperlink address] ~~as modified below.~~ All inquiries relating to interpretation of the USOA shall be submitted to the Commission's Division of Accounting and Finance in writing.

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

(3) through (3)(c) No change.

(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. For each utility providing data to the Commission, a~~ All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's Annual Report to the Commission.

(5) ~~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 authorized by Section 366.08, F.S., 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 to the utility's outside auditors.~~

(6) The Commission prescribes the Uniform System of Accounts for Public Utilities and Licensees, as found in the Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities (2013) as revised April 1, 2002, to be used by Rural Electric Cooperative and Municipal Electric Utilities operating within the State. All inquiries relating to interpretations of the USOA Uniform System of Accounts shall be submitted to the Commission's Division of Accounting and Finance in writing.

*Rulemaking Specific Authority 350.127(2), 366.05(1) FS. Law Implemented 350.115, 366.02(2), 366.04(2)(a), (f), 366.05(1), 366.08 FS. History—Amended 7-29-69, 2-4-76, 8-21-79, 1-2-80, 11-18-82, Formerly 25-6.14, Amended 10-1-86, 11-2-87, 7-20-89, 12-27-94, 4-22-96, 3-30-04, \_\_\_\_\_*

25-6.015 Location and Preservation of Records.

(1) through (2)(a) No change.

(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 the utility demonstrates that 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 will 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 in Rule 25-6.0151, F.A.C., 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 C, Part 125, Code of Federal Regulations, entitled "Preservation of Records of Public Utilities and Licensees" (2013) as revised, April 1, 2002, which is hereby incorporated by reference into this rule, with the exception of the records listed in paragraph (3)(a) of this rule: and may be accessed at <http://www.flrules.org>[hyperlink address]. Instead, utilities shall retain records listed in paragraph (3)(a) of this rule for the periods indicated.

(a) No change.

(b) The utility shall not be required to retain original source documents once the documents have been added to a storage and retrieval system that consistently produces clear, readable copies of source documents and the content of the documents is identical to the originals including any handwritten notations on the documents. However, all source documents retained as required by Title 18, Subchapter C, Part 125, 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 C, Part 125, 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. The Commission will waive the requirement that documents be retained in their original form upon a showing by a utility that 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) 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 searchable ~~easy-to-search~~ and readable ~~easy-to-read~~.  
*Rulemaking Specific Authority 350.127(2), 366.05(1) FS. Law Implemented 366.05(1), (9), (11), 366.08, 366.093(1) FS. History—  
Amended 7-29-69, 7-19-72, 1-11-76, 9-28-81, 11-18-82, Formerly 25-6.15, Amended 10-1-86, 11-2-87, 6-23-93, 11-13-95, 6-6-  
04, \_\_\_\_\_.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Cheryl Bulecza-Banks  
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission  
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: November 25, 2014  
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 40, Number 24,  
February 5, 2014

### Notice of Proposed Rule

#### **PUBLIC SERVICE COMMISSION**

RULE NOS.:      RULE TITLES:  
25-7.014        Records and Reports in General  
25-7.015        Location and Preservation of Records  
25-7.0461       Capitalization Versus Expensing

PURPOSE AND EFFECT: The amendments conform the rules to the federal Uniform System of Accounts applicable to gas utilities. The rules have been generally updated and clarified for greater usability.  
Docket No. 140124-PU.

SUMMARY: The amendments conform the rules to current accounting standards and principles as found in the U.S. Code of Federal Regulations. The amendments also revise a reference to Commission accounting procedures, remove provisions of the rules that reiterate statutory language, and reflect accounting practices presently used by gas utilities.

#### **SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has been prepared by the Agency.

The SERC examined the factors required by Section 120.541(2)(c), F.S., and concluded that the rule amendment will not have an adverse impact on economic growth, business competitiveness, or small business and that there would likely be transactional cost savings to the individual and entities, including government entities, required to comply with the rule. It is anticipated that investor-owned gas utilities may benefit from the rule updating and clarification efforts.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: based upon the information contained in the SERC.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), (9), (11), 366.08, 366.093(1) FS.

LAW IMPLEMENTED: 350.115, 366.05(1), (9), (11), 366.08, 366.093(1) FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pamela H. Page, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6214, php@psc.state.fl.us

THE FULL TEXT OF THE PROPOSED RULE IS:

25-7.014 Records and Reports in General.

(1) ~~Except as modified in subsection (4), e~~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 (2013) ~~as revised, April 1, 2002, which is hereby incorporated by reference, and may be accessed at <http://www.flrules.org>[hyperlink address] as modified below.~~ All inquiries relating to interpretation of the USOA shall be submitted to the Commission's Division of Accounting and Finance in writing.

(2) through (4) No change.

(5) ~~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. For each utility providing data to the Commission, a~~All such data, ~~unless otherwise specified,~~ shall be consistent with and reconcilable with the utility's Annual Report to the Commission.

(6) 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.

(7) ~~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 authorized by Section 366.08, F.S., 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 to the utility's outside auditors.~~

*Rulemaking Specific Authority 366.05(1), 350.127(2) FS. Law Implemented 366.05(1), 366.08 FS. 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, 4-3-88, 7-20-89, 12-27-94, 4-22-96, 12-8-03, \_\_\_\_\_.*

25-7.015 Location and Preservation of Records.

(1) through (2)(a) No change.

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

1. ~~f~~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 the a utility demonstrates that would like more than 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 will establish a different time frame for the utility to bring records into the state 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.~~

For individual data requests made during an audit, the response time frame established in Rule 25-7.0151, F.A.C., 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" (2013) ~~as revised, April 1, 2002, which is incorporated by reference into this rule, with the exception of the records listed in paragraph (3)(a) of this rule and may be accessed at <http://www.flrules.org>[hyperlink address].~~ Instead, utilities shall retain records listed in paragraph (3)(a) of this rule for the periods indicated.

(a) No change.

(b) ~~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. The A utility may request approval to waive the requirement that documents be retained in their original form. The utility Such request must show that the utility employs a storage and retrieval system that consistently produces clear, readable copies that are identical substantially equivalent to the originals, including any and clearly reproduces handwritten notations on documents.

(c) 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 searchable easy to search and readable easy to read.

*Rulemaking Specific Authority 366.05(1), (9), (11), 366.08, 366.093(1), 350.127(2) FS. Law Implemented 366.05(1), (9), (11), 366.08, 366.093(1) FS. History—Amended 7-19-72, Repromulgated 1-8-75, Amended 5-4-75, 12-30-75, 9-28-81, 11-18-82, Formerly 25-7.15, Amended 10-1-86, 4-3-88, 11-13-95, 12-8-03, \_\_\_\_\_.*

#### 25-7.0461 Capitalization Versus Expensing.

(1) Except as provided in subsections (2)-(11) of this rule, ~~The rules and definitions set forth below are intended to establish capitalization versus expensing guidelines and uniform retirement units for natural gas 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, Subchapter F, Part 201 (2013), as revised April 1, 1985 which is incorporated by reference in Rule 25-7.014, F.A.C. except as provided in subsections (2)-(12) of this rule.~~

(2)(a) through (h) No change.

(i) "Retirement Unit" means an item of utility plant which, when placed into service, is capitalized and when removed from service, with or without replacement, is always retired. The "List of Retirement Units Gas Utilities Effective August 21, 1986" ("List of Retirement Units") (10/14), is hereby incorporated by reference into this rule and may be accessed at <http://www.flrules.org>[hyperlink address].

(3) All depreciable property is considered as consisting of (a) retirement units and (b) minor items of property. ~~Each utility shall implement the list of retirement units referred to in subsection (12) of this rule as of the beginning of the next fiscal year following the adoption of this rule.~~ This list can be expanded by any utility without other authorization from this Commission as long as the cost of the additional item is more than \$500. In the case of such expansion, the utility should notify the Division of Economics Commission Clerk within thirty days as to the nature and justification of the expansion.

(4) The addition and retirement of retirement units should be accounted for as follows:

(a) No change.

(b) When a retirement unit is replaced, the cost of the replacing item should be accounted for in the same manner as in paragraph (a) if the item is cost meets the criteria set forth in the "List of Retirement Units," ~~referred to in subsection (12).~~ Otherwise, the charge should be made to the appropriate expense account.

(c) When a retirement unit is retired, with a replacement that meets the criteria set forth in the "List of Retirement Units," ~~referred to in subsection (12),~~ or without a replacement, the book cost of the retiring unit should be credited to the plant account in which it is included and likewise debited to the associated account reserve. Any cost of removal and gross salvage associated with the retirement should likewise be debited and credited, respectively, to the account reserve. Costs of the retiring unit, removal and salvage should be recorded within one month of the retirement date and may be estimated with corrective adjustment entries made when the transactions are finalized.

(5) through (11) No change.

(12) ~~List of Retirement Units: See "List of Retirement Units (Gas Utilities)", Effective August 21, 1986 published by the Florida Public Service Commission.~~

*Rulemaking Specific Authority 350.127(2), 366.05(1) FS. Law Implemented 350.115 FS. History—New 8-21-86,*

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Amended.

NAME OF PERSON ORIGINATING PROPOSED RULE: Cheryl Bulecza-Banks  
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission  
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: November 25, 2014  
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: Volume 40, Number 24,  
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