

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920296-PU

RULE TITLE:

RULE NOS.:

UNIFORM SYSTEM AND CLASSIFICATION OF ACCOUNTS

25-4:017

RECORDS AND REPORTS IN GENERAL

PURPOSE AND EFFECT: The purpose and effect of the proposed rule amendment is to provide notice of non-reliance or reliance on certain Statement of Financial Accounting Standards.

SUMMARY: The proposed amendment requires either a statement of non-reliance on Statement of Financial Accounting Standards (SFAS) No. 71, 90, 92 or 101 or, if relied on, disclosure of the account and amount along with the relied - upon statute, rule, order or document for each entry or adjustment. In addition, each utility must file, within 60 days of a final order involving accounting matters, a description of all resultant entries and adjustments to the accounting records.

RULEMAKING AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 350.115, 364.17, F.S.

ACK \_\_\_\_\_ LAW IMPLEMENTED: 350.115, 364.17, F.S.  
AFA \_\_\_\_\_ SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES:

APP \_\_\_\_\_ There are not expected to be direct impacts on the Commission,  
CAF \_\_\_\_\_ small business, additional employment or competition. There would  
CMU \_\_\_\_\_ be impact on the local exchange companies. Four responding  
CTR \_\_\_\_\_ companies indicated only minimal such impact.  
EAG \_\_\_\_\_  
LEG \_\_\_\_\_

LIN \_\_\_\_\_ Of the four companies responding in detail, Southern Bell  
OPC \_\_\_\_\_ estimated that one person requiring 8 to 10 weeks startup time  
RCH \_\_\_\_\_ would require 6 to 10 hours monthly to comply at a cost of \$15,000  
SEC 1 startup and \$400 monthly. Determination of SFAS reliance within  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

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the Florida jurisdiction by Southern Bell would require additional time and expenses.

Quincy Telephone Company estimated that compliance would entail additional time and expense.

Centel questioned whether the rule would provide any new information to the Commission since SFAS 71 reliance would be the direct result of a Commission order. Indiantown Telephone System estimated that compliance would cost \$500 for the annual disclosure report, \$125 for quarterly disclosure and \$1000 for the FPSC final order disclosure report.

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. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:  
TIME AND DATE: 9:30 A.M., JULY 17, 1992.

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE THESE RULES IS:

25-4.017 Uniform System [and Classification] of Accounts.

(1) Each telecommunications company shall maintain its accounts and records in conformity with the Uniform System and Classification of Accounts (USOA) as prescribed by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part 32 Class A as adopted on December 2, 1986, and revised as of

October 1, 1991, and as modified below. Inquiries relating to interpretation of the USOA shall be submitted in writing to the Division of Auditing and Financial Analysis.

(2) Each company shall establish separate depreciation reserve subaccounts for each corresponding subaccount established in the USOA or by rules of this Commission.

(3) Account 1181, Telecommunications Accounts Receivable - Allowance, shall be maintained on the allowance (reserve) method for uncollectible accounts with concurrent charges being made to Account 5301, Uncollectible Revenue - Telecommunications. This provision shall apply only to the regulated operations of the utility.

(4) A telecommunications company may use a different account numbering system but shall use the same account descriptions as prescribed in the Uniform System and Classification of Accounts or by this Commission. If a different account numbering system is used, a cross reference of the company's system to the Commission's numbering system shall be shown in the company's chart of accounts.

(5) Tax side records shall be maintained for the purpose of identifying deferred taxes, and deferred investment tax credits and related recapture, for each plant subaccount identified in the USOA. Deferred taxes shall be separated between major timing differences such as accelerated depreciation, normal spread items and intercompany profit.

(6) Cost allocation side records shall be maintained for the purpose of facilitating cost of service studies and shall include cost allocations of income taxes, other taxes, general and

administrative expenses, and other allocated expenses for each expense account and subaccount identified in the USOA or Commission rules.

(7) Each telecommunications company shall notify the Division of Auditing and Financial Analysis in writing of all communications written to or received from the Federal Communications Commission, the Financial Accounting Standards Board, or the Internal Revenue Service, that pertain to accounting procedures, separations procedures, or the USOA. Notification shall be provided by the company as an attachment to the Telephone Earnings Surveillance Report and shall include notice of communications that were sent or received by the company during the calendar month or quarter, whichever is the earnings surveillance reporting period for the company, in which the company's previous surveillance report was filed. If no reportable communications have taken place during the month or quarter, the attachment should state "None". "Communication" includes writings sent or received by the company directly or on its behalf by a parent company or representative. Upon request of the Division of Auditing and Financial Analysis, the company shall provide a copy of the written communication to the Division.

(8) Each telecommunications company with more than 100,000 access lines shall notify the Division of Auditing and Financial Analysis, in writing within 45 days of implementation, of each change in accounting methodology, accounting estimates, or underlying assumptions, when the change will alter the company's annual revenue requirements by 25 or more basis points on equity.

Notification is not required for changes approved by order of the Commission.

(9) The Annual Report and the Rate of Return Report shall include either a statement that the underlying accounting records and the report were not prepared with reliance upon the Statement of Financial Accounting Standards (SFAS) No. 71, 90, 92 or 101; or, where reliance exists on SFAS 71, 90, 92, 101, the utility shall disclose the account and the amount along with a reference to the relied upon statute, rule, order or document for each entry or adjustment.

(10) Each utility shall file, within 60 days of a final order involving accounting matters, a description of all resultant entries and adjustments to the accounting records.

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

Law Implemented: 350.115, 364.17, F.S.

History: Revised 12/1/68, Amended 3/31/76, 8/21/79, 1/2/80, 12/13/82, 12/13/83, 9/30/85, formerly 25-4.17, Amended 11/30/86, 4/25/88, 2/10/92. Amended\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULES: DALE MAILHOT

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULES:  
Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: June 2, 1992

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.