

State of Florida

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



DIVISION OF APPEALS
DAVID E. SMITH
DIRECTOR
(904) 413-6245

Public Service Commission

April 4, 1996

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

Re: Docket No. 960067-WS, Proposed Amendments to Rule 25-30.110, F.A.C.,
Records and Reports; Annual Reports

Dear Mr. Webb:

The Commission has approved the adoption of Rule 25-30.11G, F.A.C., without changes.

The rule has an impact on small business and the Small and Minority Business Advocate, the Division of Economic Development, and the Minority Business Enterprise Assistance Office have not offered alternatives regarding the impact of the rule on small business.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LE ^{ADP30110 MRD} Enclosure _____
- LR cc: _____ Division of Records & Reporting
- OPC _____
- RCH _____
- SEC / _____
- WAS _____
- OTH _____

Sincerely,

Mary Anne Helton
Mary Anne Helton
Associate General Counsel

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FISCAL REPORTING

1 25-30.110 Records and Reports; Annual Reports.

2 (1) RECORDS.

3 (a) Each utility shall preserve its records in accordance
4 with the "Regulations to Govern the Preservation of Records of
5 Electric, Gas and Water Utilities" as issued by the National
6 Association of Regulatory Utility Commissions, as revised May 1985.

7 1. Those utilities that choose to convert documents from
8 their original media form shall retain the original source
9 documents as required by 25-30.110(1)(a) for a minimum of three
10 years, or for any lesser period of time specified for that type of
11 record in the "Regulations to Govern the Preservation of Records of
12 Electric, Gas and Water Utilities," after the date the document was
13 created or received by the utility. This paragraph does not
14 require the utility to create paper copies of documents where the
15 utility would not otherwise do so in the ordinary course of its
16 business. The Commission may waive the requirement that documents
17 be retained in their original form upon a showing by a utility that
18 it employs a storage and retrieval system that consistently
19 produces clear, readable copies that are substantially equivalent
20 to the originals, and clearly reproduces handwritten notations on
21 documents.

22 2. The utility shall maintain written procedures governing
23 the conversion of source documents to a storage and retrieval
24 system, which procedures ensure the authenticity of documents and
25 the completeness of records. Records maintained in the storage and

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1 retrieval system must be easy to search and easy to read.

2 (b) Unless otherwise authorized by the Commission, each
3 utility shall maintain its records at the office or offices of the
4 utility within this state and shall keep those records open for
5 inspection during business hours by Commission staff.

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

13 1. The utility shall remit reimbursement for out-of-state
14 travel expenses within 30 days from the date the Commission mails
15 the invoice.

16 2. The reimbursement requirement in subparagraph (1)(c)
17 shall be waived:

18 a. For any utility that makes its out-of-state records
19 available at the utility's office located in Florida or at another
20 mutually agreed upon location in Florida within 10 working days
21 from the Commission's initial request. If 10 working days is not
22 reasonable because of the complexity and nature of the issues
23 involved or the volume and type of material requested, the
24 Commission may establish a different time frame for the utility to
25 bring records into the state. For individual data requests made

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1 during an audit, the response time frame established in Rule 25-
2 30.145, Florida Administrative Code, shall control; or

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

5 (2) IN GENERAL. Each utility shall furnish to the Commission
6 at such time and in such forms as the Commission may require, the
7 results of any required tests and summaries of any required
8 records. The utility shall also furnish the Commission with any
9 information concerning the utility's facilities or operation that
10 the Commission may request and require for determining rates or
11 judging the practices of the utility. All such data, unless
12 otherwise specified, shall be consistent with and reconcilable with
13 the utility's annual report to the Commission.

14 (3) ANNUAL REPORTS; FILING EXTENSIONS. Each utility shall
15 file with the Commission annual reports on forms prescribed by the
16 Commission. The obligation to file an annual report for any year
17 shall apply to any utility which is subject to this Commission's
18 jurisdiction as of December 31 of that year, whether or not the
19 utility has actually applied for or been issued a certificate.

20 (a) The Commission shall, by January 15 of each year, send
21 one blank copy of the appropriate annual report form to each
22 utility company. The failure of a utility to receive a report form
23 shall not excuse the utility from its obligation to timely file the
24 annual report. An original and two copies of the annual reports
25 shall be filed with the Commission on or before March 31 for the

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1 preceding year ending December 31. Annual reports are considered
2 filed on the day they are postmarked or received and logged in by
3 the Commission's Division of Water and Wastewater in Tallahassee.

4 (b) An annual report is considered on file if it is properly
5 addressed, with sufficient postage, and postmarked no later than
6 the due date. If an annual report is sent by registered mail, the
7 date of the registration is the postmark date. The registration is
8 evidence that the annual report was delivered. If an annual report
9 is sent by certified mail and the receipt is postmarked by a postal
10 employee, the date on the receipt is the postmark date. The
11 postmarked certified mail receipt is evidence that the return was
12 delivered.

13 (c) A utility may file a written request for an extension of
14 time with the Division of Water and Wastewater no later than March
15 31. One extension of 30 days will be automatically granted upon
16 request. A request for a longer extension must be accompanied by
17 a statement of good cause and shall specify the date by which the
18 report will be filed.

19 (4) ANNUAL REPORTS; CONTENTS. The appropriate annual report
20 form required from each utility shall be determined by using the
21 same three classes of utilities used by the National Association of
22 Regulatory Utility Commissioners for publishing its system of
23 accounts: Class A (those having annual water or wastewater
24 operating revenues of \$750,000 or more); Class B (those having
25 annual water or wastewater revenues of \$150,000 to \$749,999); Class

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1 C (annual water or wastewater revenues of less than \$150,000). The
2 class to which a utility belongs shall be determined by using the
3 higher of the average of its annual water or wastewater operating
4 revenues for each of the last three preceding years.

5 (a) Class A utilities shall file the annual report entitled
6 "Water and/or Wastewater Utilities (Gross Revenues of \$750,000 and
7 Over)" required by Commission Form PSC/WAS 4 (Rev. 12/86), which
8 was effective on December 22, 1986.

9 (b) Class B utilities shall file the annual report entitled
10 "Water and/or wastewater Utilities (Gross Revenues of \$150,000 or
11 more But Less Than \$750,000 Each)" required by Commission Form
12 PSC/WAS 5 (Rev. 12/86) which was effective on December 22, 1986.

13 (c) Class C utilities shall file the annual report entitled
14 "Water and/or wastewater Utilities (Gross Revenues of less than
15 \$150,000 each) required by Commission Form PSC/WAS 6 Rev. (x/xx)
16 ~~12/86 which was effective on December 22, 1986.~~

17 (d) Class A or B utilities that have multiple systems under
18 one consolidated company should file the Consolidated Annual Report
19 (Form PSC/WAS 3 (/91)) in lieu of separate annual reports for each
20 system. Any questions regarding the annual report form to be
21 filed, should be directed to the Division of Water and Wastewater,
22 Bureau of Accounting.

23 (e) The foregoing forms can be obtained from the Commission's
24 Division of Water and Wastewater.

25 (5) CERTIFICATION OF ANNUAL REPORTS. As part of the annual

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1 report, each utility shall certify the following in writing by the
2 utility's chief executive officer and chief financial officer:

3 (a) Whether the utility is in substantial compliance with the
4 Uniform System of Accounts as prescribed by Rule 25-30.115, Florida
5 Administrative Code;

6 (b) Whether the utility is in substantial compliance with all
7 applicable rules and orders of the Florida Public Service
8 Commission;

9 (c) Whether there have been any written communications from
10 regulatory agencies concerning noncompliance with, or deficiencies
11 in, financial reporting practices that could have a material effect
12 on the financial statements;

13 (d) Whether the financial statements and related schedules
14 fairly present the financial condition and results of operations
15 for the period presented and whether other information and
16 statements presented as to the business affairs of the respondent
17 are true, correct, and complete for the period which they
18 represent.

19 (6) ANNUAL REPORTS, PENALTY FOR NONCOMPLIANCE. A penalty
20 shall be assessed against any utility that fails to file an annual
21 report or an extension in the following manner:

22 (a) Failure to file an annual report or an extension on or
23 before March 31;

24 (b) Failure to file a complete annual report;

25 (c) Failure to file an original and two copies of the annual

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1 report.
2 Any utility that fails to comply with this rule shall be subject to
3 the penalties imposed herein unless the utility demonstrates good
4 cause for the noncompliance. The Commission may, in its
5 discretion, impose penalties for noncompliance that are greater or
6 lesser than provided herein; such as in cases involving a flagrant
7 disregard for the requirements of this rule or repeated violations
8 of this rule. No final determination of noncompliance or
9 assessment of penalty shall be made by the Commission except after
10 notice and an opportunity to be heard, as provided by applicable
11 law.

12 (d) Any utility which fails to pay a penalty within 30 days
13 after its assessment by the Commission shall be subject to interest
14 applied to the penalty up to and including the date of payment of
15 the penalty. Such interest shall be compounded monthly, based on
16 the 30 day commercial paper rate for high grade, unsecured notes
17 sold through dealers by major corporations in multiples of \$1,000
18 as regularly published in the Wall Street Journal.

19 (7) DELINQUENT REPORTS.

20 (a) Any utility that fails to file its annual report or
21 extension on or before March 31, or within the time specified by
22 any extension, approved in writing by the Division of Water and
23 Wastewater, shall be subject to a penalty. The penalty shall be
24 based on the number of calendar days elapsed from March 31, or from
25 an approved extended filing date, until the date of filing. The

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1 date of filing shall be included in the days elapsed.

2 (b) The penalty for delinquent reports shall accrue based on
3 the utility's classification established under subsection (4), in
4 the following manner for each day the report is delinquent:

- 5 1. \$25 per day for Class A utilities;
- 6 2. \$13.50 per day for Class B utilities; and
- 7 3. \$3.00 per day for Class C utilities.

8 (8) INCOMPLETE REPORTS.

9 (a) The Commission's Division of Water and Wastewater shall
10 provide written notification to a utility if its report does not
11 contain information required by subsection (4) of this rule. The
12 utility shall file the missing information no later than 30 days
13 after the date on the face of the notification. If the utility
14 fails to file the information within that period, the report will
15 be deemed delinquent and the utility shall be subject to a penalty
16 as provided under paragraphs (7)(a) and (b), except that the
17 penalty shall be based on the number of days elapsed from the date
18 the information is due to the date it is actually filed. The date
19 of filing shall be included in the elapsed days.

20 (b) A report is incomplete if any of the schedules required
21 by the following forms of this rule are not completed:

- 22 1. Form PSC/WAS 4 (Rev. 12/86 for Class A utilities);
- 23 2. Form PSC/WAS 5 (Rev. 12/86~~+~~ for Class B uUtilities); and
- 24 3. Form PSC/WAS 3 (Rev. 03/91 for Class A or B uUtilities
25 that have multiple systems.)

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1 4. Form PSC/WAS 6 (Rev. ~~x/xx~~ 12/86 for Class C- Utilities).

2 (c) An incomplete report will remain incomplete until the
3 missing information is filed with the Division of Water and
4 Wastewater on the appropriate Commission form.

5 (9) INCORRECT FILING. If a utility files an incorrect annual
6 report it shall be considered delinquent and subject to a penalty
7 on the same basis as a utility that fails to timely file an annual
8 report. The classification determining the applicable penalty, as
9 prescribed by paragraphs 7(a) and (b), shall be determined by the
10 latest annual revenue figures available for the utility. The
11 failure of a utility to receive a report form for the correct class
12 of utility shall not excuse the utility from its obligation to
13 timely file the annual report for the correct class of utility.

14 (10) INSUFFICIENT COPIES. A utility that fails to file one
15 original and two copies of its annual report shall be subject to a
16 penalty of one dollar per page per missing copy. The Commission
17 will provide the utility with written notice that insufficient
18 copies were received. A penalty may be avoided if, within 20 days
19 after the date of the notice, the utility files the missing copies
20 or requests that the Commission copy its report for it and remits
21 the appropriate fee for the copying.

22 (11) OTHER PENALTIES. The penalties that may be assessed
23 against a utility for failure to file an annual report in
24 compliance with the foregoing shall be separate and distinct from
25 penalties that may be imposed for other violations of the

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1 requirements of the Commission.
2 Specific Authority: 350.127(2), 367.121, F.S.
3 Law Implemented: 367.121(1)(c), 367.121(1)(g), 367.121(1)(i),
4 367.121(1)(k), 367.156(1), 367.161, F.S.
5 History: Amended 9/12/74, 1/18/83, 2/24/85, 10/27/85, formerly
6 25-10.25, Transferred from 25-10.025 11/9/86, Amended 12/22/86,
7 3/11/91, 11/13/95, _____.

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