

ORIGINAL

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030712-GU

RULE TITLE:

RULE NO.:

Records and Reports in General

25-7.014

Location and Preservation of Records

25-7.015

Annual Reports

25-7.135

Diversification Reports

25-7.1351

Earnings Surveillance Report

25-7.1352

Forecasted Earnings Surveillance Report

25-7.1353

PURPOSE AND EFFECT: Rule 25-7.014 is to be amended to update the reference to the most recent Uniform System of Accounts, Code of Federal Regulations, Part 201, as of April 1, 2002. Rule 25-7.015 is to be amended to update the reference to the most recent "Preservation of Records of Natural Gas Companies," Code of Federal Regulations (CFRs), Part 225, as of April 1, 2002. Also, the rule has been amended to include seven exceptions to the retention periods incorporated in the CFRs, Part 225, as of April 1, 2002. Due to the time between rate proceedings, audits, and

other matters before the Commission a longer retention period is necessary for these records. Rule 25-7.135 is to be amended to update the reference to the revised Commission Form PSC/ECR 020-G, entitled "Annual Report of Natural Gas Utilities." In an effort to simplify the reporting requirements, some schedules

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have been deleted while other schedules have been consolidated. Rule 25-7.1351 is to be repealed as the information provided in this report has been incorporated as part of Commission Form 020-G, as adopted by Rule 25-7.135. This repeal eliminates a reporting requirement that is currently included in the utility's annual report. Rule 25-7.1352 is to be amended to update the reference to the revised Commission Form PSC/ECR 013-G, entitled "Investor-Owned Natural Gas Utility Earnings Surveillance Report (ESR)." The year end schedules have been deleted since average schedules are used to monitor earnings. Also, the amendment changes the filing of monthly ESRs to quarterly filings. Rule 25-7.1353 is to be amended to require each investor-owned natural gas utility with more than 50,000 customers to file with the Commission its forecasted financial information on Commission Form PSC/ECR 023-G, entitled "Investor-Owned Natural Gas Utility Forecasted Earnings Surveillance Report." Changing the monthly ESR to quarterly makes the forecasted ESR more crucial for monitoring earnings.

SUMMARY: Rule 25-7.014 is to be amended to update the reference to the most recent Uniform System of Accounts, Code of Federal Regulations, Part 201, as of April 1, 2002. Rule 25-7.015 is to be amended to update the reference to the most recent "Preservation of Records of Natural Gas Companies," Code of Federal Regulations (CFRs), Part 225, as of April 1, 2002. Also,

the rule has been amended to include seven exceptions to the retention periods incorporated in the CFRs, Part 225, as of April 1, 2002. Due to the time between rate proceedings, audits, and other matters before the Commission a longer retention period is necessary for these records. Also, a definition of good cause was added to the rule. Rule 25-7.135 is to be amended to update the reference to the revised Commission Form PSC/ECR 020-G, entitled "Annual Report of Natural Gas Utilities." In an effort to simplify the reporting requirements, some schedules have been deleted while other schedules have been consolidated. Also, a definition of good cause was added to the rule. Rule 25-7.1351 is to be repealed as the information provided in this report has been incorporated as part of Commission Form 020-G, as adopted by Rule 25-7.135. This repeal eliminates a reporting requirement that is currently included in the utility's annual report. Rule 25-7.1352 is to be amended to update the reference to the revised Commission Form PSC/ECR 013-G, entitled "Investor-Owned Natural Gas Utility Earnings Surveillance Report (ESR)." The year end schedules have been deleted since average schedules are used to monitor earnings. Also, the amendment changes the filing of monthly ESRs to quarterly filings. Also, a definition of good cause was added to the rule. Rule 25-7.1353 is to be amended to require each investor-owned natural gas utility with more than 50,000 customers to file with the Commission its forecasted

financial information on Commission Form PSC/ECR 023-G, entitled "Investor-Owned Natural Gas Utility Forecasted Earnings Surveillance Report." Changing the monthly ESR to quarterly makes the forecasted ESR more crucial for monitoring earnings. Also, a definition of good cause was added to the rule.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: A Statement of Estimated Regulatory Costs was not prepared.

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

SPECIFIC AUTHORITY: 366.05(1), 350.127(2), FS

LAWS IMPLEMENTED: 366.05(1)(9) & (11), 366.08, 366.093(1), 350.117(1), 366.04(2)(f), FS

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, 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 SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Dale Mailhot, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6418.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

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) - (6) No change.

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.

25-7.015 Location and Preservation of Records.

(1) - (2)(b) No change.

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. No change.

(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)~~ (b) renumbered to (c). No change.

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.

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(/) 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) No change.

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.

25-7.1351 Diversification Reports.

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.

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 (/) ~~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.

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 (/) 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) No change.

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.

NAME OF PERSON ORIGINATING PROPOSED RULES: Dale Mailhot, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6418.

DATE PROPOSED RULES APPROVED: August 19, 2003

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume

29, Number 23, June 13, 2003

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 the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).