

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

---

**DATE:** January 13, 2015  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Pamela H. Page, Office of the General Counsel  
**RE:** Docket No. 140124-PU

---

Please file the attached rule certification packets for Rules 25-60.14, 25-6.015, 25-7.014, 25-7.015, and 25-7.0461, F.A.C., in the docket file listed above.

Thank you.

Attachment

RECEIVED-FPSC  
15 JAN 13 PM 1:03  
COMMISSION  
CLERK

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
LISA POLAK EDGAR  
RONALD A. BRISÉ  
JULIE I. BROWN  
JIMMY PATRONIS

STATE OF FLORIDA



GENERAL COUNSEL  
CHARLIE BECK  
(850) 413-6199

# Public Service Commission

January 13, 2015

Ms. Liz Cloud  
Florida Department of State  
Administrative Code and Register Section  
Room 701, the Capitol  
Tallahassee, FL 32399-0250

VIA HAND DELIVERY

**Re: Rule Certification Packet for Rules 25-6.014 and 25-6.015, F.A.C.**

Dear Ms. Cloud:

Enclosed for filing is a complete rule certification packet for Rules 25-6.014 and 25-6.015, F.A.C., consisting of:

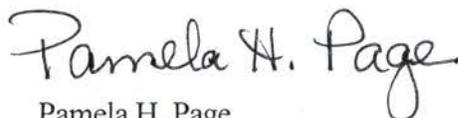
- (1) One compact disc containing the coded text of the rules;
- (2) One original and two copies of the e-mail approval confirmation with the certification form required by Rule 1-1.013, F.A.C., for the materials incorporated by reference that were filed electronically. Please note that because of the size of the file for the C.F.R., Title 18, Subchapter C, Part 101 for Major Utilities, it was necessary to upload that reference in two separate parts;
- (3) One original and two copies of the signed rule certification form;
- (4) One original and two copies of the coded text of the rules, including the legal citations and history notes;
- (5) One original and two copies of the summary of the rules;
- (6) One original and two copies of the detailed written statement of the facts and circumstances justifying the rules; and
- (7) One original and two copies of the summary of the hearings held on the rules.

FILED  
JAN 13 AM 11:01  
TALLAHASSEE, FLORIDA  
STATE  
OFFICE

Page 2

Please let me know if you have any questions. The contact name and information for this rule are Pamela H. Page, Florida Public Service Commission, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0250, (850) 413-6214, [phpage@psc.state.fl.us](mailto:phpage@psc.state.fl.us).

Sincerely,

A handwritten signature in cursive script that reads "Pamela H. Page".

Pamela H. Page  
Senior Attorney

Enclosures

## Julie Phillips

---

**From:** FL-Rules@dos.state.fl.us  
**Sent:** Wednesday, December 10, 2014 10:37 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-6.014 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material](#) list (Agency Main Menu page).

Rule Number: 25-6.014

Reference Number: Ref-04826; Reference Name: Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities

Reference Number: Ref-04827; Reference Name: Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities

Click [here](#) to log in.

Administrative Code and Register Staff  
Division of Library and Information Services  
Florida Department of State

@ItsWorkingFL



The Department of State is leading the commemoration of Florida's 500th anniversary in 2013. For more information, please go to <http://www.vivaflorida.org>.

The Department of State is committed to excellence.  
Please take our [Customer Satisfaction Survey](#).

## Julie Phillips

---

**From:** FL-Rules@dos.state.fl.us  
**Sent:** Wednesday, December 10, 2014 10:40 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-6.015 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material](#) list (Agency Main Menu page).

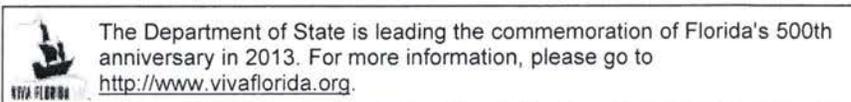
Rule Number: 25-6.015

Reference Number: Ref-04828; Reference Name: Code of Federal Regulations, Title 18, Subchapter C, Part 125

Click [here](#) to log in.

Administrative Code and Register Staff  
Division of Library and Information Services  
Florida Department of State

@ItsWorkingFL



The Department of State is leading the commemoration of Florida's 500th anniversary in 2013. For more information, please go to <http://www.vivaflorida.org>.

The Department of State is committed to excellence.  
Please take our [Customer Satisfaction Survey](#).

CERTIFICATION OF MATERIALS INCORPORATED

BY REFERENCE IN RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify pursuant to Rule 1-1.013, Florida Administrative Code:

(1) That materials incorporated by reference in Rules 25-6.014 and 25-6.015, F.A.C., have been electronically filed with the Department of State.

(2) That because there would be a violation of federal copyright laws if the submitting agency filed the incorporated materials described below electronically, a true and complete paper copy of the incorporated materials are attached to this certification for filing. Paper copies of the incorporated materials below may be obtained at the agency by [include address(es)/location(s)].

List form numbers and form titles, or title of documents below:

Code of Federal Regulations, Title 18, Subchapter C, Part 101, for Major Utilities

Code of Federal Regulations, Title 18, Subchapter C, Part 125

Under the provisions of Section 120.54(3)(e)6., F. S., the attached material(s) take effect 20 days from the date filed with the Department of State, or a later date as specified in the rule.

  
Carlotta S. Stauffer

\_\_\_\_\_  
Commission Clerk

CERTIFICATION OF FLORIDA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., and all rulemaking requirements of the Department of State have been complied with; and

(2) That there is no administrative determination under Section 120.56(2), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of Section 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by Section 120.54(3)(a), F.S.; and

(a) Are filed not more than 90 days after the notice; or

(b) Are filed more than 90 days after the notice, but not more than 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete; or

(c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

(e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

(g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

(h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

(i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the Small Business Regulatory Advisory Committee.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule Nos.

25-6.014

25-6.015

Under the provision of Section 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

*Carlotta S Stauffer*  
CARLOTTA S. STAUFFER

Commission Clerk \_\_\_\_\_

Title \_\_\_\_\_

Number of Pages Certified \_\_\_\_\_

#### **25-6.014 Records and Reports in General.**

(1) ~~Except as modified in subsection (2), e~~Each 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/Gateway/reference.asp?No=Ref-04826> and

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04827> ~~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) 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.

(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) 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 this state, unless otherwise authorized by the Commission.

(2) Any utility that keeps its records outside of the state shall reimburse the Commission for the reasonable travel expenses 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 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/Gateway/reference.asp?No=Ref-04828>. Instead, utilities shall retain records listed in paragraph (3)(a) of this rule for the periods indicated.

(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 C, Section 125.3, Code of Federal Regulations:

1. Item 2(a), minute books of stockholders', directors', and directors' committee meetings, earlier of 20 years or termination of the 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; and
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) 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, \_\_\_\_\_.*

#### SUMMARY OF THE RULE

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.

#### WRITTEN STATEMENT OF THE FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The amendments conform the rules to current accounting principles and standards as found in the federal Uniform System of Accounts applicable to electric utilities. The amendments reflect record keeping and accounting practices presently used by electric utilities. The rules have also been generally updated and clarified for greater usability.

#### SUMMARY OF ANY HEARINGS HELD ON THE RULE

No timely request for a hearing was received by the agency, and no hearing was held.

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
LISA POLAK EDGAR  
RONALD A. BRISÉ  
JULIE I. BROWN  
JIMMY PATRONIS

STATE OF FLORIDA



GENERAL COUNSEL  
CHARLIE BECK  
(850) 413-6199

# Public Service Commission

January 13, 2015

Ms. Liz Cloud  
Florida Department of State  
Administrative Code and Register Section  
Room 701, the Capitol  
Tallahassee, FL 32399-0250

**VIA HAND DELIVERY**

**Re: Rule Certification Packet for Rules 25-7.014, 25-7.015, and 25-7.0461, F.A.C.**

Dear Ms. Cloud:

Enclosed for filing is a complete rule certification packet for Rules 25-7.014, 25-7.015, and 25-7.0461, F.A.C., consisting of:

- (1) One compact disc containing the coded text of the rules;
- (2) One original and two copies of the e-mail approval confirmations with the certification form required by Rule 1-1.013, F.A.C., for the materials incorporated by reference that were filed electronically. Please note that because of the size of the file for the C.F.R., Title 18, Subchapter F, Part 201 for Major Utilities, it was necessary to upload that reference in two separate parts;
- (3) One original and two copies of the signed rule certification form;
- (4) One original and two copies of the coded text of the rules, including the legal citations and history notes;
- (5) One original and two copies of the summary of the rules;
- (6) One original and two copies of the detailed written statement of the facts and circumstances justifying the rules; and
- (7) One original and two copies of the summary of the hearings held on the rules.

FILED  
2015 JAN 13 10:10 AM  
TALLAHASSEE, FLORIDA  
DEPARTMENT OF STATE

Page 2

Please let me know if you have any questions. The contact name and information for this rule are Pamela H. Page, Florida Public Service Commission, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0250, (850) 413-6214, [phpage@psc.state.fl.us](mailto:phpage@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink that reads "Pamela H. Page". The signature is written in a cursive style with a large, looped "P" and "Page".

Pamela H. Page  
Senior Attorney

Enclosures

## Julie Phillips

---

**From:** FL-Rules@dos.state.fl.us  
**Sent:** Monday, December 15, 2014 11:15 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-7.014 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material list](#) (Agency Main Menu page).

Rule Number: 25-7.014

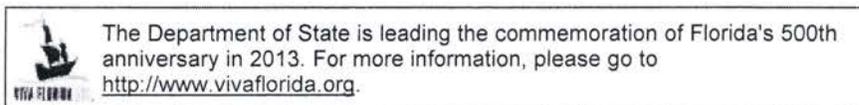
Reference Number: Ref-04830; Reference Name: Code of Federal Regulations, Title 18, Subchapter F, Part 201, for Major Utilities, Part 1

Reference Number: Ref-04831; Reference Name: Code of Federal Regulations, Title 18, Subchapter F, Part 201, for Major Utilities, Part 2

Click [here](#) to log in.

Administrative Code and Register Staff  
Division of Library and Information Services  
Florida Department of State

@ItsWorkingFL



The Department of State is leading the commemoration of Florida's 500th anniversary in 2013. For more information, please go to <http://www.vivaflorida.org>.

The Department of State is committed to excellence.  
Please take our [Customer Satisfaction Survey](#).

## Julie Phillips

---

**From:** FL-Rules@dos.state.fl.us  
**Sent:** Monday, December 15, 2014 11:13 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-7.015 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material](#) list (Agency Main Menu page).

Rule Number: 25-7.015

Reference Number: Ref-04829; Reference Name: Code of Federal Regulations, Title 18, Subchapter F, Part 225

Click [here](#) to log in.

Administrative Code and Register Staff  
Division of Library and Information Services  
Florida Department of State

@ItsWorkingFL



The Department of State is leading the commemoration of Florida's 500th anniversary in 2013. For more information, please go to <http://www.vivaflorida.org>.

The Department of State is committed to excellence.  
Please take our [Customer Satisfaction Survey](#).

## Julie Phillips

---

**From:** FL-Rules@dos.state.fl.us  
**Sent:** Monday, December 15, 2014 11:16 AM  
**To:** Julie Phillips  
**Cc:** flrules@dos.state.fl.us  
**Subject:** 25-7.0461 Reference Material for Rule Adoption Approved

Dear JPhillips:

The reference material for rule adoption you submitted has been approved by the Administrative Code and Register Staff.

The approved material is available in the [Review/Modify Agency Reference Material](#) list (Agency Main Menu page).

Rule Number: 25-7.0461

Reference Number: Ref-04833; Reference Name: List of Retirement Units, Gas Utilities, Effective August 21, 1986

Click [here](#) to log in.

Administrative Code and Register Staff  
Division of Library and Information Services  
Florida Department of State

@ItsWorkingFL



The Department of State is leading the commemoration of Florida's 500th anniversary in 2013. For more information, please go to <http://www.vivaflorida.org>.

The Department of State is committed to excellence.  
Please take our [Customer Satisfaction Survey](#).

CERTIFICATION OF MATERIALS INCORPORATED

BY REFERENCE IN RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify pursuant to Rule 1-1.013, Florida Administrative Code:

(1) That materials incorporated by reference in Rule 25-7.014, 25-7.015, and 25-7.0461, F.A.C., have been electronically filed with the Department of State.

(2) That because there would be a violation of federal copyright laws if the submitting agency filed the incorporated materials described below electronically, a true and complete paper copy of the incorporated materials are attached to this certification for filing. Paper copies of the incorporated materials below may be obtained at the agency by [include address(es)/location(s)].

List form numbers and form titles, or title of documents below:

Code of Federal Regulations, Title 18, Subchapter F, Part 201, for Major Utilities

Code of Federal Regulations, Title 18, Subchapter F, Part 225

List of Retirement Units, Gas Utilities, Effective August 21, 1986

Under the provisions of Section 120.54(3)(e)6., F. S., the attached materials take effect 20 days from the date filed with the Department of State, or a later date as specified in the rule.

*Carlotta S. Stauffer*

Carlotta S. Stauffer

\_\_\_\_\_  
Commission Clerk

CERTIFICATION OF FLORIDA PUBLIC SERVICE COMMISSION  
ADMINISTRATIVE RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., and all rulemaking requirements of the Department of State have been complied with; and

(2) That there is no administrative determination under Section 120.56(2), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of Section 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by Section 120.54(3)(a), F.S.; and

(a) Are filed not more than 90 days after the notice; or

(b) Are filed more than 90 days after the notice, but not more than 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete; or

(c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

(e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

(g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

(h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

(i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the Small Business Regulatory Advisory Committee.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule Nos.

25-7.014

25-7.015

25-7.0461

Under the provision of Section 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

*Carlotta S. Stauffer*  
CARLOTTA S. STAUFFER

Commission Clerk \_\_\_\_\_  
Title 8  
Number of Pages Certified \_\_\_\_\_

**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/Gateway/reference.asp?No=Ref-04830> and <http://www.flrules.org/Gateway/reference.asp?No=Ref-04831>~~ 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) 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) Each gas utility shall maintain its depreciation rates and depreciation reserve by primary account as prescribed in the Uniform System and Classification of Accounts.
- (4) 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.
- (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 thousand cubic feet (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) 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 expenses 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 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/Gateway/reference.asp?No=Ref-04829> . Instead, utilities shall retain records listed in paragraph (3)(a) of this rule for the periods indicated.

(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) ~~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) For the purposes of this part, the following definitions shall apply:

(a) "Book Cost" means the amount at which a retirement unit is included in a plant account, including all components of labor and installation costs without deduction of related provisions for accrued depreciation. This cost should be determined from the utility's records and if this cannot be done, it should be estimated.

(b) "Cost" means the original purchased cost plus associated labor and installation costs.

(c) "Cost of Removal" means the cost of demolishing, removing, tearing down or otherwise disposing of a retirement unit, including the cost of transportation and handling.

(d) "Cradle-To-Grave Accounting" means an accounting method which treats a unit of plant as being in service from the time it is first purchased until it is finally junked or is otherwise finally disposed of. The period in shop for refurbishing, and in stock/inventory awaiting reinstallation are treated as being in service.

(e) "Gross Salvage" means the amount received from selling or trading-in a retirement unit; or, if retained, the original (estimated if not known) material cost of the unit. (Original Material Cost = Book Cost Less Labor and Installation Cost)

(f) "Item" means a single identifiable unit of plant. Where a dollar amount (viz., \$500 minimum for capitalization) is imposed, this amount limit shall apply to the single item and not to a block or group of such items purchased on one order.

(g) "Minor Item" means any part or element of plant which is not designated as a retirement unit, but is a component part of the retirement unit.

(h) "Retirement" means a retirement unit or unreplaced minor item which has been removed, sold, abandoned, destroyed, or otherwise removed from service. (Exception see "Cradle-to-Grave")

(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/Gateway/reference.asp?No=Ref-04833>.

(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) When a retirement unit is added for the first time at a location, the cost should be added to the appropriate plant account along with associated labor and installation costs.

(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) The addition and retirement of minor items of depreciable property should be accounted for as follows:

(a) When a minor item which did not previously exist as a part of a retirement unit at a given location is added, the cost should be accounted for in the same manner as for the addition of a retirement unit if the cost is more than \$500. Otherwise, the charge should be made to the appropriate maintenance expense account.

(b) When a minor item having a book cost more than \$500 is retired and not replaced, the book cost along with any associated cost of removal and gross salvage should be accounted for in the same manner as for the retirement of a retirement unit. If, however, the book cost of the minor item retired and not replaced has been accounted for by its

inclusion in the retirement unit of which it is a part, no separate credit to the property account or debit to the associated account is required.

(c) When a minor item is replaced independently of the retirement unit of which it is a part, the cost of replacement should be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment should be charged to the appropriate plant account.

(6) The addition and retirement of meters and regulators should be accounted for as cradle-to-grave. Costs for refurbishing these items should be charged to the appropriate expense accounts.

(7) Overhead construction costs such as engineering, supervision, general office salaries and expenses, construction engineering, insurance, taxes, relief and pensions, injuries and damages should be capitalized only if they are directly associated with the construction project.

(8) All maintenance costs, whether the work is done by the utility or under contract, should be expensed. Unusual or extraordinary expenses can be amortized over a reasonable period of time as determined by the Commission.

(9) Engineering unclassified time should be expensed.

(10) The testing on initial installations of mains and services, meters and regulators should be capitalized. Subsequent testing should be expensed. The testing on uprating to higher pressure should be capitalized.

(11) The initial purchase and installation of valves and testing thereof should be capitalized. Labor costs associated with locating existing valves, moving existing valves, maintenance and monitoring should be expensed.

(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, Amended \_\_\_\_\_.*

#### SUMMARY OF THE RULE

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.

#### WRITTEN STATEMENT OF THE FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The amendments conform the rules to current accounting principles and standards as found in the federal Uniform System of Accounts applicable to gas utilities. The amendments reflect record keeping and accounting practices presently used by gas utilities. The rules have also been generally updated and clarified for greater usability.

#### SUMMARY OF ANY HEARINGS HELD ON THE RULE

No timely request for a hearing was received by the agency, and no hearing was held.