**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**

**January 25, 1996**

**TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)**

**FROM: DIVISION OF APPEALS (MOORE)**

**DIVISION OF AUDITING & FINANCIAL ANALYSIS (REVELL)**

**DIVISION OF RESEARCH & REGULATORY REVIEW (HARLOW)**

**DIVISION OF ELECTRIC & GAS (BULECZA-BANKS, KUMMER)**

**RE: DOCKET NO. 960045-PU, PROPOSED REVISION OF RULES 25-6.014 AND 25-7.014, F.,A.C., RECORDS AND REPORTS IN GENERAL**

**AGENDA: 2/6/96 - REGULAR AGENDA - RULE PROPOSAL - INTERESTED PERSONS MAY PARTICIPATE**

**RULE STATUS: PROPOSAL MAY BE DEFERRED**

**SPECIAL INSTRUCTIONS: I:\PSC\APP\WP\960045.RCM**

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission revise Rules 25-6.014 and 25-7.014, Florida Administrative Code, to require electric and gas utilities to maintain their records in accordance with the Uniform System of Accounts as revised through April 1, 1995?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** Rules 25-6.014 and 25-7.014 currently require electric and gas utilities to maintain their records in accordance with the Uniform System of Accounts (USOA) in effect as of April 1, 1987. Several revisions to the USOA have been made since then, and staff believes the utilities that are subject to the Commission's rules are already using the latest edition of the USOA. The effect of the Commission's current rules is to require electric and gas utilities to use an outdated version of the USOA.

The requirement in sections 25-6.014(6) and 25-7.014(7) for each utility to file a copy of its chart of accounts with the Commission is deleted because staff may inspect it at the utility's offices or request a copy if it is necessary. The remaining recommended changes to the rules are for clarity or to remove some inconsistencies between the two rules.

The rule revisions do not result in a "substantial increase in costs" or "significant adverse effects" to the parties directly affected; therefore, an Economic Impact Statement is not required and none was prepared. (Attachment 2)

**ISSUE 2:** If no requests for hearing or comments are filed, should the rule amendments as proposed be filed for adoption with the Secretary of State and the docket be closed?

**RECOMMENDATION:** Yes. The Commission should adopt the changes to these rules as proposed if no requests for hearing or comments are filed. The docket may then be closed.

**STAFF ANALYSIS:** Unless comments or requests for hearing are filed, the rules as proposed may be filed with the Secretary of State without further Commission action.

CTM/

Attachments:

Recommended Rule

Economic Impact Memorandum

**25‑6.014 Records and Reports in General.**

(1) ~~Except as provided in Subsection (2),~~ E~~e~~ach investor‑owned electric utility shall maintain its accounts and records in conformity with the ~~Federal Energy Regulatory Commission's~~ 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 as revised April 1, 1995, ~~1987~~ and as modified below. All inquiries relating to interpretation of the USOA ~~Uniform System of Accounts~~ shall be submitted to the Commission's Division of Auditing and Financial Analysis 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 ~~Uniform System and Classification of Accounts~~. The records ~~It~~ shall be compiled on the basis of original cost ~~(~~or other book cost consistent with the provisions of the USOA ~~Uniform System and Classification of Accounts)~~. 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.

~~(a) The functional use, description and location of property units in service.~~

~~(b) Costs associated with property units to assure accurate accounting for retirements.~~

~~(c) The determination of the age, service life or other data necessary for 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 ~~Each~~ utility shall also furnish the Commission with any information concerning the utility's ~~its~~ facilities or operation which the Commission may request and require for determining rates and judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's ~~its~~ 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 the utility shall provide ~~the~~ staff member~~(~~s~~)~~ with adequate and comfortable working and filing space, consistent with prevailing conditions and climate and comparable with the accommodations provided the utility's ~~company's~~ outside auditors.

(6) The Commission ~~has~~ prescribes~~d~~ the ~~Federal Energy Regulatory Commission's~~ 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 as revised April 1, 1995, ~~1987~~ to be used by Rural Electric Cooperative and Municipal Electric Utilities operating within the State. All inquiries relating to interpretations of the Uniform System of Accounts shall be submitted to the Commission's Division of Auditing and Financial Analysis ~~Electric and Gas~~ in writing.

~~(7) Each investor‑owned electric utility, Rural Electric Cooperative and Municipal Electric Utility shall file with the Commission its chart of accounts as of the effective date of this Rule showing compliance with the Uniform System and Classification of Accounts as prescribed by the Commission, and shall also periodically file revisions of said chart of accounts.~~

Specific Authority: 366.05(1), 350.127(2), F.S.

Law Implemented: 366.04(2)(a), 366.05(1), F.S.

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, 11/02/87, 7/20/89, 12/27/94, .

**25‑7.014 Records and Reports in General.**

(1) ~~Except as provided in subsection (2),~~ E~~e~~ach natural gas utility shall maintain its accounts and records in conformity with the Uniform System ~~and Classification~~ of Accounts for Natural Gas Companies (USOA) as found ~~prescribed by the Federal Energy Regulatory Commission~~ in the Code of Federal Regulations, Title 18, Subchapter F, Part 201, for Major Utilities as revised, April 1, 1995, ~~1987~~ and as modified below. All inquiries relating to interpretation of the USOA ~~Uniform System and Classification of Accounts~~ shall be submitted to the Commission's Division of Auditing and Financial Analysis in writing.

(2)~~(a)~~ Each utility shall establish and maintain continuing property records in conformity with the plant accounts prescribed in the USOA ~~Uniform System and Classification of Accounts~~. The records ~~It~~ shall be compiled on the basis of original cost ~~(~~or other book cost consistent with the provisions of the USOA ~~Uniform System and Classification of Accounts)~~. 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)~~1.~~ An inventory of property record units which may be readily checked for proof of physical existence;~~.~~

(b)~~2.~~ The association of costs with such property record units to assure accurate accounting for retirements;~~.~~ and

(c)~~3.~~ The determination of dates of installation and removal of plant to provide data for use in connection with depreciation studies.

(3)~~(2)~~ 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.

(4)~~(3)~~ 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 ~~or~~ judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's Annual Report to the Commission.

(5)~~(4) On and after the effective date of these rules,~~ T~~t~~he results of all tests, summaries, records and reports required by ~~of gas utilities by reason of these rules or other orders of~~ the Commission (including the Annual ~~Financial~~ Report) shall, where appropriate, be reported on a therm basis rather than a volumetric or MCF basis.

(6)~~(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 the utility shall provide ~~the~~ staff member~~(~~s~~)~~ with adequate and comfortable working and filing space, consistent with prevailing conditions and climate and comparable with the accommodations provided the utility's ~~company's~~ outside auditors.

~~(6) Each natural gas utility shall file with the Commission its chart of accounts as of the effective date of this rule, showing compliance with the Uniform System and Classification of Accounts as prescribed by the Commission, and shall also periodically file revisions of said chart of accounts.~~

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, .