

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule)	DOCKET NO. 900317-TL
25-4.018, F.A.C., Annual)	
Reports for Local Exchange)	ORDER NO. 23322
Telephone Companies.)	
<hr/>		ISSUED: 8-8-90


NOTICE OF ADOPTION OF RULE AMENDMENT

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has adopted the amendments to Rule 25-4.018, F.A.C., F.A.C., relating to Annual Reports for Local Exchange Telephone Companies, without change.

The rule amendment was filed with the Secretary of State on August 3, 1990 and will be effective on August 23, 1990. A copy of the relevant portions of the certification filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission,
this 8th day of AUGUST, 1990.



STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

CTM/cp

4347G

DOCUMENT NUMBER-DATE

07161 AUG-8 1990

FPSC-RECORDS/REPORTING

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

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), 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 paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

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

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(e) Are filed within 21 days after the date the transcript was received by this agency.

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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.

<u>Rule No.</u>	<u>Specific Rulemaking Authority</u>	<u>Law Being Implemented, Interpreted or Made Specific</u>
25-4.018, F.A.C.	350.127(2), F.S.	364.17, F.S.

Under the provision of paragraph 120.54(12)(a), 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)

Steve Tribble
Kay DeLeon for
Director, Division of Records & Reporting
Title

Number of Pages Certified _____

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1 25-4.018 Annual Reports.

2 (1) Each local exchange telephone company shall file with the
3 Commission annual reports as required by the Florida Statutes, on
4 Commission Form PSC/CMU 24 (/), which is incorporated by
5 reference into this rule. forms-prescribed-by-the-Commission-
6 Form PSC/CMU 24, entitled "Annual Report," was
7 adopted , and may be obtained from the Commission's
8 Division of Communications. These reports shall be certified
9 correct by a responsible accounting official of the utility and
10 shall be filed on or before April 15 ~~March 31~~, for the preceding
11 calendar year. The filing date may be extended only by written
12 permission of the Commission. Authorization for the correction of
13 any errors found in the reports and replies to inquiries
14 propounded by the Commission Staff shall be furnished in writing
15 within thirty (30) ~~fifteen-(15)~~ days from the date of the
16 Commission's letter.

17 (2)(a) In addition the company ~~utility~~ shall file with the
18 original and each copy of the annual report form, or separately,
19 within 30 days after the filing date for the form, a letter or
20 report signed by independent certified public accountants,
21 certified or licensed by a regulatory authority of a State or
22 other political subdivision of the U.S., attesting to the
23 conformity in all material respects of the following schedules of
24 Commission Form PSC/CMU 24 (/) ~~the-Federal-Communication~~
25 Commission-annual-report-form-as-amended-and-supplied-by-the-

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1 Florida-Public-Service-Commission, with the Federal
 2 Communication Commission's applicable uniform system of accounts,
 3 as amended by the Florida Public Service Commission:

- 4 1. Schedule B-1 Balance Sheet
 5 2. Schedule B-2 Statement of Cash Flows
 6 3. Schedule B-5a Analysis of Plant In Service
 7 4. Schedule B-5b Analysis of Accumulated Depreciation
 8 5. Schedule B-10 Long Term Debt
 9 6. Schedule I-1 Income Statement
 10 ~~1. Schedule-10---Balance-Sheet~~
 11 ~~2. Schedule-11---Income-and-Retained-Earnings~~
 12 ~~3. Schedule-12A--Analysis-of-Telephone-Plant~~
 13 ~~4. Schedule-12B--Source-and-Application-of-Funds~~
 14 ~~5. Schedule-14A--Analysis-of-Depreciation-Reserve~~
 15 ~~6. Schedule-24---Long-Term-Debt~~
 16 ~~7. Schedule-34---Operating-Revenue~~
 17 ~~8. Schedule-35---Operating-Expenses~~

18 Statement certification includes applicable notes relating
 19 thereto and published accounting releases.

20 (2)(b) Each local exchange telephone company shall file
 21 information on its affiliates and affiliated transactions on
 22 Commission Form PSC/AFA/6 (7/89) which is incorporated into this
 23 rule by reference. Form PSC/AFA/6 (7/89), entitled "Analysis of
 24 Diversification Activities" was effective July 20, 1989 and may be
 25 obtained by contacting the Commission's Division of Auditing and

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1 Financial Analysis.

2 (2)(c) Each local exchange telephone company shall file, with
3 each annual report, on Schedules 1-4 of Form PSC/AFA/6 (7/89), the
4 following information on its affiliates and affiliated
5 transactions:

6 1. Any changes in its corporate structure including
7 partnerships, minority interests, and joint ventures
8 and an updated organizational chart.

9 2. A summary of affiliated transactions, by affiliate
10 and by type of transaction, completed during the
11 previous year. This summary shall include the gross
12 dollar amount of the transaction and a reference to
13 any relevant contract or agreement. Reporting for
14 asset transfers or the rights to use assets shall
15 include:

- 16 a. An indication that title has passed and the names of
17 the purchasing and selling parties;
18 b. A description of the asset or right transferred; and,
19 c. A description of the financial or other
20 considerations associated with the transfer.

21 3. A listing of employees earning more than \$30,000
22 annually transferred to/from the local exchange
23 telephone company to an affiliate company. The
24 listing shall contain the following information:

- 25 * Old job assignment for the local exchange

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1 telephone company;

2 * New job assignment at the affiliate;

3 * Transfer permanent or temporary; and,

4 * If temporary, expected duration of assignment.

5 4. A statement by a responsible accounting official of
6 the local exchange telephone company certifying that
7 all affiliated transfer prices or affiliated cost
8 allocations were determined consistent with the
9 methods reported to the Commission under this rule.

10 (2)(d) Each local exchange telephone company shall also be
11 required to keep a detailed backup report of the summary report to
12 facilitate auditing and analysis. Each local exchange telephone
13 company shall maintain a clear audit trail from the summary report
14 through the general ledger to the source documents supporting the
15 transaction.

16 (2)(e) The preceding schedules (25-4.018(2)(a) and (c)) shall
17 be modified in content or number as directed by the Commission or
18 as necessary to conform with generally accepted auditing standards
19 and generally accepted accounting principles.

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

21 Law Implemented: 364.17, F.S.

22 History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.18,

23 Amended 12/16/86, 7/20/89.

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Rule 25-4.018, F.A.C.
Docket No. 900317-TL

SUMMARY OF RULE

The Commission's annual report form for local exchange telephone companies (LECs) is revised to incorporate the new Federal Communications Commission's (FCC) Part 32 Uniform System of Accounts. Certain unnecessary schedules of the present form are deleted, such as schedules requesting data to support acquisition adjustments and overseas telephone and related services. Other schedules, such as a balance sheet schedule and income statement schedule, are substituted for the FCC ARMIS report to make it easier for the majority of LECs to complete the reporting forms.

The amended rule changes the filing date for annual reports from March 31 to April 15, allowing companies an additional 15 days in which to file their annual reports with the Commission. The amended rule also changes the time for LECs to respond to staff's inquiries and correct deficiencies in the annual reports from 15 to 30 days from the date of a letter from the Commission.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and no hearing was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The current version of rule 25-4.018 requires companies to file annual reports on Commission Form PSC/CMU 24, adopted in 1983. Since then, a number of changes have occurred including the

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Commission's adoption by rule of the Federal Communications Commission's (FCC) Part 32 Uniform System of Accounts. The current form is outdated. It is based on the FCC Part 31 system of accounts which is considerably different and is no longer used by the companies who must file the annual report form. The rule is also amended to allow additional time for the companies to file their reports, to make corrections, and to respond to inquiries from the Commission staff to make it easier for companies to submit their reports and responses on time.

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20541
MAY 11 1990