

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Repeal of Rule) DOCKET NO. 941004-PU
25-4.018, F.A.C., Annual) ORDER NO. PSC-94-1507-FOF-PU
Reports; Amendment of 25-4.0185,) ISSUED: December 8, 1994
F.A.C., Periodic Reports, Rules)
25-6.014, and 25-7.014, F.A.C.,)
Records and Reports in General;)
and Rule 25-24.480, Records and)
Reports, Rules Incorporated, and)
Adoption of Rules 25-4.135, 25-)
4.1351, 25-6.135, 25-6.1351, 25-)
7.135, and 25-7.1351, F.A.C.,)
Annual Reports and)
Diversification Reports)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF ADOPTION

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted amendments to Rule 25-7.014, F.A.C., Records and Reports in General; and adopted Rules 25-7.135 and 25-7.1351, F.A.C., Annual Reports and Diversification Reports, without change.

The rules were filed with the Department of State on December 7, 1994, will be effective on December 27, 1994. A copy of the rules as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

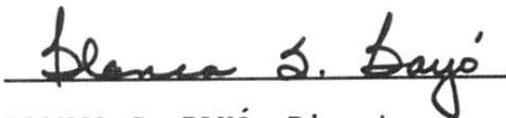
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FPSC-RECORDS/REPORTING

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By ORDER of the Florida Public Service Commission, this 8th
day of December, 1994.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

25-7.014 Records and Reports in General.

(1) Except as provided in subsection (2), each natural gas utility shall maintain its accounts and records in conformity with the Uniform System and Classification of Accounts 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, 1987. All inquiries relating to interpretation of the Uniform System and Classification of Accounts shall be submitted to the Commission's Division of Auditing and Financial Analysis ~~Electric and Gas~~ in writing.

(a) Each utility shall establish and maintain continuing property records in conformity with the plant accounts prescribed in the Uniform System and Classification of Accounts. It shall be compiled on the basis of original cost (or other book cost consistent with the provisions of the Uniform System and Classification of Accounts). The record 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:

1. An inventory of property record units which may be readily checked for proof of physical existence.
2. The association of costs with such property record units to assure accurate accounting for retirements.

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

(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.

~~(3) Each utility shall file with the Commission annual reports on forms prescribed by the Commission. These reports shall be verified by a responsible accounting officer of the utility making the report and shall be due on or before April 30 for the preceding calendar year. 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 attesting to the conformity, in all material respects, of the following schedules listed on the general instruction page of the appropriate Federal Energy Regulatory Commission annual report form supplied by the Commission, with the Commission's applicable uniform system of accounts (statement certification includes applicable notes) and published accounting releases:~~

~~(a) Comparative Balance Sheet — Statement A~~

~~(b) Statement of Income — Statement C~~

~~(c) Statement of Retained Earnings — Statement D~~

~~(d) Statement of Changes in Financial Position — Statement E~~

~~(e) Long Term Debt~~

~~(f) Reconciliation of Book Income with Taxable Income~~

~~(g) Gas Plant in Service~~

~~(h) Accumulated Provisions for Depreciation of Gas Utility~~

Plant

~~(i) Gas Operating Revenues (exclude column (d) through (g))~~

~~(j) Gas Operation and Maintenance Expenses~~

~~The letter or report of attestation shall be signed by an independent certified public accountant or an independent licensed public accountant. Any utility which is on a fiscal year other than the calendar year may file the above referenced schedules and certification letter on a fiscal year basis, within 90 days from the close of its fiscal year. A complete annual report, except for the certification letter, shall be filed on a calendar year basis by all utilities using fiscal year other than the calendar year.~~

~~(3) (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 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.

(4) ~~(5)~~ On and after the effective date of these rules, the results of all tests, summaries, records and reports required 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.

(5) ~~(6)~~ 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 company's outside auditors.

(6) ~~(7)~~ 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.

~~(8) Each natural gas utility shall file information on its affiliates and affiliate transactions on Commission Form PSC/AFA/6 (7/89) which is incorporated into this rule by reference. Form~~

~~PSC/AFA/6 (7/89), entitled "Analysis of Diversification Activities" was effective July 20, 1989 and may be obtained by contacting the Commission's Division of Auditing and Financial Analysis.~~

~~(9) Within 45 days of the adoption of this subsection or within 45 days of coming under the jurisdiction of the Commission, each natural gas utility shall file, on Schedules 5, 6, and 7 of Form PSC/AFA/6 (7/89), with this Commission:~~

~~(a) The names of affiliated companies, including partnerships, minority interests, and joint ventures.~~

~~(b) A description, by type of affiliated transaction, of the bases of transfer prices (i.e. market, competitive bid, cost, cost plus), and cost allocations (direct charge, formula, etc.) and how the bases are determined. Excluding tariffed transactions the types of affiliated transactions to be accounted for are:~~

- ~~1. Affiliated transfers of goods or services;~~
- ~~2. Affiliated cost allocations; and,~~
- ~~3. Affiliated transfers of assets or the right to use assets (i.e. real property, personal property, and intangible property). Intangible property includes but is not limited to: rights to access customer files, rights to computer software, pole attachment rights, copyrights, and patent rights associated with utility company research and development.~~

~~(c) A listing of all contracts and leases with affiliated companies and a synopsis of each contract including, but not limited to, the terms, price, quantity, amount, and duration.~~

~~(d) Definitions~~

~~1. Utility — Any utility subject to the ratemaking jurisdiction of the Florida Public Service Commission.~~

~~2. Affiliate — Any entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a utility. Ownership of 5% or more of the voting securities of an entity shall be conclusively deemed to constitute the control thereof.~~

~~3. Affiliated Transaction — Any transaction in which both a utility and an affiliate thereof are each participants other than transactions related to the filing of consolidated tax returns.~~

~~(10) Each natural gas utility shall file, with each annual report, on Schedules 1-4, of Form PSC/AFA/6 (7/89) the following information on its affiliates and affiliated transactions:~~

~~(a) Any changes in its corporate structure including partnerships, minority interests, and joint ventures and an updated organizational chart.~~

~~(b) A summary of affiliated transactions, by affiliate and by type of transaction, completed during the previous year. This summary shall include the gross dollar amount of the transaction~~

~~and a reference to any relevant contract or agreement. Reporting for asset transfers or the rights to use assets shall include:~~

~~1. An indication that title has passed and the names of the purchasing and selling parties;~~

~~2. A description of the asset or right transferred; and,~~

~~3. A description of the financial or other considerations associated with the transfer.~~

~~(c) A listing of employees earning more than \$30,000 annually transferred to/from the natural gas utility to an affiliate company. The listing shall contain the following information:~~

~~* Old job assignment for the utility;~~

~~* New job assignment at the affiliate;~~

~~* Transfer permanent or temporary; and,~~

~~* If temporary, expected duration of assignment.~~

~~(d) A statement by a responsible accounting official of the natural gas utility certifying that all affiliated transfer prices or affiliated cost allocations were determined consistent with the methods reported to the Commission under this rule.~~

~~(11) Each natural gas utility shall also be required to keep a detailed backup report of the summary report to facilitate auditing and analysis. Each jurisdictional utility shall maintain a clear audit trail from the summary report through the general ledger to the source documents supporting the transaction.~~

~~(12) Each natural gas utility shall provide quarterly notice of the following events, in writing, on Schedules 1, 8, and 9 of Form PSC/AFA/6 (7/89), for each preceding quarter:~~

~~(a) Individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should not be reported (after the first such transaction) except annually. However, each land or property sale transaction, even through similar sales recur, should be reported as a "non-recurring" item for the quarter in which it occurs.~~

~~(b) Mergers, reorganizations, formation of a new affiliate or subsidiary, or other change in corporate structure.~~

~~(c) Execution of new contracts, agreements, or arrangements with affiliated companies for the purchase, lease, or sale of land, goods, or services including amendments to existing contracts, agreements, or arrangements, with the exception of tariffed items, and a synopsis of each new or amended contract, agreement, or arrangement. The synopsis shall include, but not be limited to, the terms, price, quantity, amount, and duration.~~

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.

25-7.135 Annual Reports.

(1) Each investor-owned natural gas utility shall file annual reports with the Commission on Commission Form PSC/AFA 20 (12/94) which is incorporated by reference into this rule. Form PSC/AFA 20, entitled "Annual Report of Major Natural Gas Companies", may be obtained from the Commission's Division of Auditing and Financial Analysis. 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 Auditing and Financial Analysis no later than April 30. One extension of 31 days will be granted upon request. A request for a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed.

(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 schedules and their applicable notes listed on the general information page of Form PSC/AFA 20 with the Commission's applicable uniform system of accounts and published accounting releases.

(3) Any utility which is on a fiscal year other than the calendar year may file the above referenced schedules and certification letter on a fiscal year basis within 90 days from the close of its fiscal year. A complete annual report, except for the certification letter, shall also be filed on a calendar year basis by these utilities.

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

Law Implemented: 366.05(1), F.S.

History: New 12/27/94.

25-7.1351 Diversification Reports.

(1) Each investor-owned gas utility shall file information on its affiliates and affiliated transactions on Commission Form PSC/AFA 16 (12/94) which is incorporated into this rule by reference. Form PSC/AFA 16, entitled "Analysis of Diversification Activities", may be obtained from the Commission's Division of Auditing and Financial Analysis.

(2) Definitions

(a) Affiliate - Any entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a gas utility. Ownership of 5 percent or more of the voting securities of an entity shall be conclusively deemed to constitute the control thereof.

(b) Affiliated Transaction - Any transaction in which both a gas utility and an affiliate thereof are each participants other

than transactions related to the filing of consolidated tax returns.

(3) Within 45 days of coming under the jurisdiction of the Commission, each investor-owned gas utility shall file Schedules 1, 7, and 8 of Form PSC/AFA 16 with the Division of Auditing and Financial Analysis.

(4) Each investor-owned gas utility shall file Schedules 1 - 6 of Form PSC/AFA 16 as an attachment to its annual report.

(5) Each investor-owned gas utility shall keep a detailed backup report of the summary report to facilitate auditing and analysis. Each investor-owned gas utility shall maintain a clear audit trail from the summary report through the general ledger to the source documents supporting the reported transactions.

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

Law Implemented: 366.05(1), F.S.

History: New 12/27/94.