

IN RE:)
)
PETITION OF LIMESTONE WATER)
UTILITY OPERATING COMPANY,) **DOCKET NO. 24-00044**
LLC, TO INCREASE CHARGES, FEES)
AND RATES AND FOR APPROVAL OF)
A GENRAL RATE INCREASE AND)
CONSOLIDATED RATES)
)

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), pursuant to Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure, Tennessee Public Utility Commission (“TPUC” or the “Commission”) Rule 1220-01-02-.11, and the Agreed Procedural Schedule entered by the Hearing Officer in this Docket, hereby submits its responses to the *First Set of Discovery Request of Limestone Water Utility Operating Company, LLC* (“Limestone” or the “Company”) filed on December 30, 2024.

All of the General Objections made herein are applicable to and are hereby incorporated into each and every response herein, and each response herein is made subject to and without waiver of these General Objections.

- A. The Consumer Advocate objects to each of the Company's requests on the grounds that each is overly broad, unduly burdensome, and oppressive.
- B. The Consumer Advocate objects to the Company's discovery requests to the extent that they purport to impose the obligations upon the Consumer Advocate beyond those contemplated by the Tennessee Rules of Civil Procedure, TPUC Rules, and Tennessee law.

- C. The Consumer Advocate objects to each of the Company's requests to the extent that each purports to call for information and/or documents prepared in anticipation of litigation, and/or information and/or documents protected by the attorney-client privilege, the work product doctrine, the common-interest doctrine, or any other applicable protection or privilege.
- D. The Consumer Advocate objects to each of the Company's requests to the extent that they are not applicable in the context of a proceeding before the TPUC, cite an incorrect legal conclusion, or mischaracterize or improperly summarize statements made by the Consumer Advocate's expert witnesses in their pre-filed direct testimonies.
- E. By providing the objections contained herein, the Consumer Advocate does not waive or intend to waive, but rather, intends to preserve, all objections with regard to competence, relevance, materiality, and admissibility of the discovery information or documents in any subsequent proceeding on the related subject matter. Moreover, the Consumer Advocate intends by this set of responses to preserve all objections to vagueness, ambiguity, and undue burden in connection with requests to produce documents, including those that are not in the Consumer Advocate's possession, custody, or control.
- F. The responses made herein are made to the best of Consumer Advocate's present knowledge after a reasonably diligent search for responsive information. The Consumer Advocate will supplement its responses in line with the requirements of the Tennessee Rules of Civil Procedure as well as TPUC Rules and expressly reserves its right to supplement or amend its answers, if and as appropriate, including with respect to objections that may arise at a later time than this filing.

Without waiving these General Objections as they apply to each individual request, the Consumer Advocate presents the following responses:

CONSUMER ADVOCATE'S RESPONSES

- 1-01.** To the extent not previously provided, please provide electronic copies (on USB) of all tables, charts, diagrams, schedules, and exhibits (collectively, "Exhibits") contained in the testimony of all witnesses for the CAD. Please include all workpapers, schedules, underlying computations and supporting documentation used and relied upon by each witness in the preparation of his testimony, including the preparation of all Exhibits. Please

provide all electronic spreadsheets with cell formulas, cell references, macros and VBA code intact.

RESPONSE:

The Consumer Advocate's witnesses provided their workpapers, schedules, underlying computations and supporting documentation. As for publicly-available information, the experts provided citations in their testimony.

1-02. To the extent not previously provided, please provide copies of all schedules and underlying computations and workpapers developed in the analysis by the CAD and/or its witnesses of Limestone's requested rate increase in electronic spreadsheet format with all formulas intact. This request includes, but is not limited to, the analyses of the revenue requirement components and computations, including all ratemaking adjustments to the historic and forecasted data, and the cost of service model.

RESPONSE:

See Response to DR 1-01 above.

1-03. Directed to Kaml: Acquisition Adjustments: For each of the four criteria set forth by Mr. Kaml at page 9 (lines 19-22), please provide citations to all Tennessee Public Utility Commission decisions, of which Mr. Kaml is aware, that adopted that specific criterion.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

As stated in the referenced testimony above, the Consumer Advocate has proposed the Commission consider such factors. Also, as Limestone is aware, the Commission postponed the consideration of any acquisition adjustment until Limestone's rate case. The Consumer Advocate is not aware of any proceedings in which the specific criteria have been adopted as specifically stated. In its August 6, 2024, Order in TPUC Docket No. 23-00037, the Commission stated on pages 16 and 17:

In the course of several dockets, the Commission has ordered Limestone not to book a regulatory asset for acquisition adjustments or for legal and regulatory costs associated with the acquisition of assets.

Furthermore, as the Commission has consistently ordered in Limestone's prior utility acquisition cases, the panel found that Limestone shall not be authorized to book regulatory assets for any future proposed acquisition adjustment or for any potential recovery of regulatory and transaction costs associated with this case, but it may account for these items either in the calculation of earnings or in nonutility accounts.

1-04. Directed to Kaml: Acquisition Adjustments: Please provide a list of all Tennessee Public Utility Commission cases, of which Mr. Kaml is aware, in which CAD or another party has proposed any of the four criteria set forth by Mr. Kaml at page 9 (lines 19-22).

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product. The Consumer Advocate has proposed these criteria in several proceedings including TPUC Docket No. 19-00062, FN 27, which is a Limestone acquisition docket.

1-05. Directed to CAD: Acquisition Adjustments: Please provide a list of all Tennessee Public Utility Commission cases, since the promulgation of 1220-04-14-.04 in November 2021, in which CAD filed testimony on the issue of recovery of acquisition adjustments. For each case, please provide a copy of the relevant piece of CAD testimony.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

As stated in response to DR 1-04 above, the Consumer Advocate has proposed these criteria in several proceedings including TPUC Docket No. 19-00062, FN 27, which is a Limestone acquisition docket.

1-06. Directed to CAD: Acquisition Adjustments: Please provide a copy of CAD's comments in any rulemaking docket in which 1220-04-14-.04 was considered by the Tennessee Public Utility Commission.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product. Limestone can access the Consumer Advocate's comments in TPUC's publicly available Docket Room for TPUC Docket No. 20-00025.

1-07. Directed to CAD: Acquisition Adjustments: Please provide a copy of CAD's comments in any rulemaking docket in which 1220-04-14-.04 was considered by the Tennessee Public Utility Commission.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is vague. It is unclear what constitutes "considered by the Tennessee Public Utility Commission." Also, the Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. Limestone may access TPUC's rulemaking dockets on its publicly available Docket Room. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

1-08. Directed to Kaml: Acquisition Adjustments: At page 11, lines 4-5, Mr. Kaml asserts that "there are other methods [other than acquisition premium recovery] that can be utilized to encourage the sale if it is necessary or in the public interest." Please identify the "other methods" that Mr. Kaml believes can be utilized to encourage the sale of a distressed utility. For each of the "other methods", please identify all Tennessee Public Utility Commission cases, of which Mr. Kaml is aware, in which the Commission has utilized such a method.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

There are numerous methods utilized by businesses to incentivize business owners to sell. The most effective are often tailored to the specific situations of the owners such as financial challenges. Understanding the specifics of the owners can open discussions regarding goals and concerns.

Considering a smooth exit strategy is also reasonable. Looking only at financial issues, a common approach is offering a direct buyout, offering growth opportunities after the acquisition.

1-09. Directed to Kaml: Acquisition Adjustments: Please provide a copy of the A+ Communications, Inc. and Kingsport Power Company orders referenced on page 11, lines 8-11. Please provide Mr. Kaml's understanding as to whether the sale of utility assets in each of those cases constituted a sale of all utility assets or a sale of a portion of the utility assets.

RESPONSE:

It is Mr. Kaml's understanding that these were partial sales. Copies of these two decisions mentioned in the request are attached as Exhibit CA-1 and Exhibit CA-2.

1-10. Directed to CAD: Acquisition Adjustments: Please confirm that nowhere in CAD's testimony does it address the six criteria contained in Commission Rule 1220-04-14-.04. If CAD did address any of the specific criteria, please provide a citation to the testimony where CAD addressed such criteria.

RESPONSE:

Mr. Kaml addresses the issue of an acquisition premium in his testimony at pages 5-12. Mr. Kaml does not address the criteria one by one in his testimony because the Company failed to provide sufficient information supporting or demonstrating that it has satisfied each of the criteria contained in Commission Rule 1220-04-14-.04.

1-11. Directed to CAD: Acquisition Adjustments: At page 10 of Mr. Kaml’s testimony, he indicates in part that “[s]etting rates on the purchase price encourages transactions that may increase rates without benefits to ratepayers”. (a) Does Mr. Kaml believe that, for each of the five acquisitions for which Limestone Water seeks recovery of an acquisition adjustment (Aqua Utilities, Cartwright Creek, Shiloh Falls, Candlewood Lakes, and DSH-Lakeside Estates), ratepayers have received no benefits from the acquisition of those systems by Limestone Water? (b) Please provide the process undertaken by Mr. Kaml to determine whether ratepayers received any benefits associated with the acquisition by Limestone Water. (c) If Mr. Kaml believes that ratepayers have received benefits from the acquisition, please identify all of the benefits, of which Mr. Kaml is aware, that ratepayers received for each specified acquisition.

RESPONSE:

The Consumer Advocate objects to this request on the basis that Mr. Kaml has not made such a claim. He testified that consistent with original cost rate setting, acquisition premiums should not be allowed from a regulatory policy perspective and that transaction costs should not be allowed without a demonstrated benefit to customers.

1-12. Directed to Kaml: Transaction Costs: At page 15, Mr. Kaml indicates that transaction costs are “expenses that would not have existed but for the acquisition.” (a) Has Mr. Kaml reviewed all of the specific transaction costs sought by Limestone to determine whether they would have existed but for the acquisition? (b) If yes, please provide all documentation that reflects Mr. Kaml’s determination for each cost. (c) If no, how did Mr. Kaml determinate whether a specific transaction cost met his criteria for disallowance?

RESPONSE:

The Consumer Advocate followed the classification used by Limestone and discusses costs reported as transaction costs. If the costs are not associated with the transaction, they should not be classified as transaction costs by the Company.

1-13. Directed to Kaml: Transaction Costs: See, page 21, lines 5-6 of his testimony. (a) Does Mr. Kaml agree that a transaction cost, for instance obtaining legal easements and clearing title defects, could result in benefits for ratepayers? (b) If yes, should transaction costs that provide a benefit to ratepayers be recoverable by the utility? (c) Please provide all documentation by which Mr. Kaml attempted to determine whether each specific transaction cost provides a benefit to ratepayers.

RESPONSE:

Legal expenses may have the potential to provide ratepayer benefits. Generally, these costs are incurred as part of the due diligence prior to the consummation of an acquisition and should be included in the cost benefit analysis. As such, their primary purpose is for the protection of the acquiring utility and should offset the price the acquiring utility is willing to pay. Obtaining necessary legal easements and clearing title defects should be required by the buyer prior to acquiring the system. These deficiencies should be cured by the seller and should not represent costs incurred by customers.

1-14. Directed to Kaml: Transaction Costs: At page 11, lines 4-5, Mr. Kaml asserts that “there are other methods [other than acquisition premium recovery] that can be utilized to encourage the sale if it is necessary or in the public interest.” (a) While not seeking a legal opinion, is it Mr. Kaml’s belief that the sale of a regulated utility in such circumstances would still require Commission approval? (b) In the event that the Commission was encouraging the sale of a utility for public interest reasons, does Mr. Kaml believe that any regulatory legal costs should be recoverable in such a situation?

RESPONSE:

The Consumer Advocate objects to the request in subsection (a) on grounds it is seeking a legal opinion. Despite stating that it is not seeking a legal opinion, the Company is asking about which transactions that are within the Commission’s jurisdiction. As for subsection (b), Mr. Kaml states in his testimony that “each acquisition is unique, and assessments must be based on the specific circumstances that exist for the specific transaction including price, synergies, service areas, and other factors.” The request in subsection (b) provides no details for him to provide an expert opinion.

1-15. Directed to Kaml: Transaction Costs: Would Mr. Kaml agree that, for each of the acquisitions made by Limestone Water, the Commission has found that the acquisition furthers the public interest?

RESPONSE:

The Commission Orders approving the acquisitions are subject to the terms and conditions as contained in the Orders and speak for themselves.

Mr. Kaml does acknowledge that the Commission made its own determination and finding of public interest regarding the acquisition in those cases. However, the Commission did not make a determination of whether an acquisition premium was in the public interest.

1-16. Directed to CAD: Transaction Costs: At page 20 of his testimony, Mr. Kaml discusses pre-approval of cost recovery prior to a transaction. Please identify all cases for the last five years in which CAD is aware of a utility seeking pre-approval of cost recovery of transaction costs. For each case, please identify CAD's position on pre-approval of such costs.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

The question presented in Mr. Kaml's testimony was "How can a company be assured, or be confident, that it will receive cost recovery approval from a regulatory body?" Mr. Kaml's answer was for a company to seek pre-approval. Mr. Kaml did not address whether TPUC had given such pre-approval in other dockets.

1-17. Directed to CAD: Consolidation: Please confirm that Navitas TN natural gas rates in Tennessee are consolidated across all service areas.

RESPONSE:

The Consumer Advocate objects on the grounds that this request lacks relevance because Navitas TN's rate structure is not of consequence here and does not have any tendency to make the requested rate structure as to Limestone more or less just and reasonable. The Consumer Advocate also objects on the grounds that this information is not in the exclusive control and custody of the Consumer Advocate.

1-18. Directed to CAD: Consolidation: Please confirm that, while served by the same local distribution company (Navitas TN), the Byrdstown and Jellico service areas are served by different natural gas pipelines.

RESPONSE:

The Consumer Advocate objects on the grounds that this request lacks relevance because Navitas TN's rate structure is not of consequence here and does not have any tendency to make the requested rate structure as to Limestone more or less just and reasonable. The Consumer Advocate also objects on the grounds that this information is not in the exclusive control and custody of the Consumer Advocate.

1-19. Directed to CAD: Has CAD conducted a cost of service study for each separate Limestone service area to determine the revenue requirement for each service area?

RESPONSE:

As the burden of proof lies with Limestone, the Consumer Advocate has not conducted a cost of service study for each of Limestone's service areas.

1-20. Directed to Kaml: Vegetation Management: Has Mr. Kaml visited any of the Limestone systems to determine whether vegetation management activities are being conducted regardless of whether they are handles as an "out-of-scope, non-routine task"? If yes, please identify all of the systems visited by Mr. Kaml and the date of his visit. If yes, please provide Mr. Kaml's opinion of vegetation management efforts at each individual site including any photos and notes taken by Mr. Kaml.

RESPONSE:

The Consumer Advocate objects to this request on the basis that Mr. Kaml's testimony is based on the specific information in the record as identified in his testimony.

Mr. Kaml has not visited any of the sites.

1-21. Directed to CAD: Please confirm that nowhere in CAD's testimony does it address attrition period rate base or attrition period expenses. If CAD did address either of these topics, please identify the witness and page number where attrition period rate base or attrition period expenses are addressed.

RESPONSE:

The Consumer Advocate confirms that it does not address attrition period rate base and attrition period expenses. The Company explained in its petition and discovery responses that it is not seeking an attrition period.

Mr. Novak uses the term "Attrition Period" to designate a departure from the historical amounts that have been recorded in error. In this context, "Attrition Period" means adjustments for known and reasonably anticipated changes.

For example, the historical test period Commercial Revenues were recorded by the Company in error by not following the tariff. Adjusting for this error requires using a different methodology which Mr. Novak refers to as the "Attrition Period" amount. Therefore, the historic test period Commercial Revenues were adjusted for known and reasonably anticipated changes (applying tariff rates) which Mr. Novak refers to as the attrition period amount.

1-22. Directed to Novak: Cartwright Creek Commercial Revenues: Please provide a copy of all of the documents identified in footnote 4 on page 6, footnote 9 on page 11, footnote 10 on page 11, footnote 11 on page 11, and footnote 19 on page 15.

RESPONSE:

The Consumer Advocate objects to the question because the Company can use its own resources to obtain these documents. These documents are publicly available on the Commission's website at the footnote citations already provided in Mr. Novak's testimony.

For convenience, here are the links to the specific docket in TPUC's publicly available Docket Room: (1) Footnote 4 - <https://share.tn.gov/tra/dockets/0600127.htm>; (2) Footnote 9 is the same link as Footnote 4: (3) Footnote 10 - <https://share.tn.gov/tra/dockets/1500044.htm>; (4) Footnote 11 - <https://share.tn.gov/tra/dockets/9503948.htm>; and(5) Footnote 19 - <https://share.tn.gov/tra/dockets/2000009.htm>.

1-23. Directed to Novak: Please provide all instances known to Mr. Novak where a Commission has refused to consider a change in rates based upon a perceived deficiency.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone to the extent that the requests seeks decisions that have been written and published by the Commission. To the extent that the request calls for Mr. Novak to comment upon the Commission’s decision-making process, the Consumer Advocate objects on the grounds that Mr. Novak lacks first-hand knowledge to discuss the internal deliberations of the Commission.

The Consumer Advocate objects to the question because it is overly broad and lacks any foundation. Without waiving its objection, the Consumer Advocate would note utility Commissions are constantly asked to weigh proposed changes to rates that are based on “perceived deficiencies” that are disputed by different parties.

1-24. Directed to Novak: Tap Fees and Inspection Fees: Please provide a copy of all source documents used to determine the “anticipated growth rate for properties with an inspection fee” as identified on page 12, lines 4-8.

RESPONSE:

See < WHN Revenue Analysis3 - Limestone 24-00044 Confidential > Workpaper R-11-4.00 (“Connection Fees-1” tab) included in Mr. Novak’s revenue workpapers that have already been provided to the Company.

1-25. Directed to Novak: Tap Fees and Inspection Fees: Does the “anticipated customer growth” discussed on page 12, line 11 equate to the “anticipated growth rate” discussed on page 12, line 6? If no, please discuss the differences. If no, please provide the source documents for his “anticipated customer growth” discussed on page 12, line 11.

RESPONSE:

The two identified growth rates are the same. The testimony in both instances describes the anticipated growth in customers during the attrition year. The application of these growth rates is shown on < WHN Revenue Analysis3 - Limestone 24-00044 Confidential > Workpapers R-11-3.00 (“Inspection Fees-1” tab) and R-11-4.00 (“Connection Fees-1” tab) included in Mr. Novak’s workpapers that have already been provided to the Company.

1-26. Directed to Novak: Outside Third-Party Contractors: Is Mr. Novak aware of any analysis conducted in the last TWSI rate case to determine whether it would be more cost efficient for TWSI to utilize outside contracts instead of utilizing internal employees and paying wages and benefits and incurring all costs for trucks, tools, and maintenance supplies? If yes, please provide a copy of that entire analysis.

RESPONSE:

Mr. Novak is not aware of any such analysis conducted in TWSI's last rate case.

1-27. Directed to Novak: Rate Design: At page 21 of his testimony, Mr. Novak recommends that the revenue deficiency be “allocated evenly across-the-board to all service areas based upon the ratio of attrition period revenue in each area to the total attrition period revenue.” (a) Has Mr. Novak undertaken any analysis to determine whether his revenue deficiency proposal reflects cost of service for each service area? If yes, please provide a copy of such analysis. (b) Does Mr. Novak’s revenue deficiency allocation proposal consider the time since the last rate case for each service area? If yes, please describe how his revenue deficiency allocation considers the time since the last rate case.

RESPONSE:

- a. Limestone did not file a cost of service study for each of its service areas in this Docket. As such, Mr. Novak has not undertaken any analysis to determine whether his rate design proposal (to allocate the results of any revenue deficiency found by the Commission across-the-board to all customers and service areas) reflects the specific cost of service for each service area.**
- b. Mr. Novak has not undertaken any analysis to determine whether his rate design proposal (to allocate the results of any revenue deficiency found by the Commission across-the-board to all customers and service areas) reflects the time since the last rate case for each service area.**

1-28. Directed to Novak: Billing Determinants: Please provide the specific Commission orders or legal requirements that mandate the retention of historical billing determinants for four years.

RESPONSE:

Mr. Novak used the time periods for “51. Revenue Summaries” and “52. Customer Ledgers” set out in NARUC’s *Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities* when making his request for billing determinants. A copy of this NARUC document is attached as Exhibit CA-3. For convenience, items #51 and #52 are set out below.

51		Revenue summaries: Summaries of monthly operating revenues according to classes of service, including summaries of forfeited discounts and penalties:	5 years
52		Customers' ledgers and other records used in lieu thereof:	
	a	Customers' ledgers.	6 years or until no longer needed to adjust customers' bills or from date of one meter test to the next, whichever is longer.
	b	Records used in lieu of customers' ledgers, such as bill summaries, registers, bills stubs, etc.	6 years or until no longer needed to adjust customers' bills or from date of one meter test to the next, whichever is longer.

1-29. Please explain and clarify your position regarding land values as a write up of historic values, and please identify each previous rate case docket before the Commission where the value of real estate used to provide water or sewer service was included in the rate base used to set customer rates. For each such case, please provide documentation showing the value of real estate included in rate base.

RESPONSE:

The Consumer Advocate objects to this question as the term “and value” is vague and not defined. It is unknown whether the term refers to current market value, original cost (i.e. net book value), or some other measure of ‘value’. The Consumer Advocate also objects to the request for previous Commission decisions on the grounds that the information

requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone.

For his testimony, Mr. Kaml utilized the Company's information within its Confidential response to Consumer Advocate DR No. 2-7 Land and Land Rights Values. The Original Value is taken from (the titles are in the Confidential section) [REDACTED] and the write up values are those reflected under [REDACTED]

1-30. Please explain why tap and related fees currently held in escrow should not be released and booked as CIAC when newly constructed assets are placed in service, given that those funds were not used for assets currently in-service.

RESPONSE:

As Mr. Novak explained in his testimony (pages 11-13), it is the Commission's policy that tap and related fees should be recorded as revenues and not as CIAC.

1-31. In Bradley's Confidential AB-3 DR 27-CSWR Allocated Cost workpaper, line 49 in the "May" tab shows a removal of [REDACTED]. On the same tab, Line 2 contains an offset to the amount removed. Please clarify why this amount was removed when there was a corresponding offset in Line 2.

RESPONSE:

After review, the Advocate has removed the CSWR adjustment for \$ [REDACTED] as contained with tab "May". The result of this change reduces the adjustment for AB-3 to [REDACTED] as shown within <Confidential AB-3 DR 27 – CSWR Allocation> attached to these responses, compared with the original [REDACTED]. Thus the modification of the May totals equates to an increase in OCA pro-forma O&M costs of [REDACTED].

1-32. If rate case expenses are recovered through a separate surcharge, as proposed by the Consumer Advocate, please explain if it is also the Consumer Advocate's position that expenses related to the separate proceeding to determine the amount of recoverable rate case costs would be recoverable through the same surcharge.

RESPONSE:

The Consumer Advocate will examine the Company's potential future filing regarding recovery of rate case costs (along with any incremental expenses) when the filing is made to determine if it warrants our intervention. At this time, the Consumer Advocate takes no position on this matter.

1-33. In opposing Limestone Water's proposal to recover an acquisition adjustment, the Consumer Advocate includes factors that are not part of Rule 1220-04-14-.04. Has the Consumer Advocate previously asked the Commission to consider some or all of these additional factors when considering whether to allow an acquisition adjustment? If the answer to the preceding question is "yes," please identify each such docket in which the Consumer Advocate made such a request and identify each Consumer Advocate witness who supported that request.

RESPONSE:

See Response to DR 1-05 above.

1-34. If the Consumer Advocate opposes utilizing the assumed flow methodology in Silas' Pre-filed Direct Testimony for commercial revenues associated with sewer only accounts, please explain your reasoning.

RESPONSE:

The Consumer Advocate objects to the question because it calls for conclusions that are not in evidence and have not been cited by the Consumer Advocate's witnesses in their testimony.

1-35. If, as the Consumer Advocate proposes, tap and related fees were to be treated as revenue for purposes of determining the revenue requirement in this case, explain why the Consumer Advocate did not also propose a corresponding reduction in Limestone Water's CIAC balance.

RESPONSE:

The Consumer Advocate agrees that if the Commission holds that tap fees should be treated as revenue then there should be a corresponding reduction in Limestone's CIAC balance.

1-36. Please explain your reasoning for proposing to treat Tap Fees as revenues instead of CIAC, and please identify each docket where the Consumer Advocate has proposed tap and related fees for a regulated water and wastewater utility be treated as revenue instead of being capitalized.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

As Mr. Novak explained in his testimony (pages 11-13), it is the Commission's policy that tap and related fees should be recorded as revenues and not as CIAC.

1-37. Please explain why Mr. Novak calculated and utilized attrition year revenues when Mr. Bradley approved of Limestone's historical test year proposal. Does Mr. Novak's proposal to include attrition year revenues not attrition year expenses and investment violate the "matching principle" used in utility ratemaking? Please explain your answer.

RESPONSE:

See Response to DR 1-21 above, for discussion about Mr. Novak's use of the term attrition period. Mr. Novak's attrition year revenue calculations reflect known and reasonably anticipated changes in order to correct certain errors (commercial revenues, tap fees) in the way that the Company recorded revenues on its books. As such, they do not violate any type of "matching principle" used in utility ratemaking.

1-38. Please identify each rate case docket where Mr. Bradley (or another witness for the Consumer Advocate) proposed to include attrition year revenues but excluded or failed to include attrition year expenses or investment.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

1-39. Please identify any proceedings before the Commission in which revenue deficiencies were evenly allocated across various tariffed rate districts, including any Commission orders.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

The Consumer Advocate objects to the question because the term “tariffed rate districts” is not defined by the Company. Without waiving its objection, the Consumer Advocate would note that the rates of Atmos Energy Corporation have historically been allocated evenly across-the-board to all twelve non-contiguous areas across Tennessee.

1-40. Please identify each water or sewer rate case in any jurisdiction where Mr. Kaml proposed to evenly allocate a rate increase over a utility’s tariff districts. For each case identified in response to the previous question, please provide the docket number.

RESPONSE:

The Consumer Advocate objects on the grounds that the information requested is not within the exclusive custody or control of the Consumer Advocate and is equally available to Limestone. The Consumer Advocate also objects to the request for “any jurisdiction” as unduly burdensome. In addition, the Consumer Advocate also objects that this request is not fact discovery. The request does not call for a fact or the application of law to fact and is an improper attempt to solicit work product.

The Consumer Advocate notes that Mr. Kaml is not the expert that addressed the Consumer Advocate’s rate design proposal. That expert is Mr. Novak (Testimony at pages 20-23).

RESPECTFULLY SUBMITTED,



VICTORIA B. GLOVER (BPR No. 037954)

Assistant Attorney General

SHILINA B. BROWN (BPR No. 020689)

Senior Assistant Attorney General

VANCE L. BROEMEL (BPR No. 011421)

Managing Attorney

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202

Phone: (615) 360-4219

Fax: (615) 741-1026

Email: Victoria.Glover@ag.tn.gov

Email: Shilina.Brown@ag.tn.gov

Email: Vance.Broemel@ag.tn.gov

TPUC Docket No. 24-00044

CA Responds to Limestone DR 1

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with
a courtesy copy by electronic mail provided upon:

Melvin J. Malone (BPR #013874)
Katherine Barnes (BPR #032456)
Butler Snow LLP
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
Tel: (615) 651-6700
Email: Melvin.Malone@butlersnow.com
Email: Katherine.Barnes@butlersnow.com

This the 6th day of January, 2025.



VICTORIA B. GLOVER
Assistant Attorney General

1994 WL 610165 (Tenn.P.S.C.)

Re A+ Communications, Inc.

Docket No. 92-1398

Tennessee Public Service Commission

May 18, 1994

ORDER ON REMAND

This matter is before the Tennessee Public Service Commission upon (A) the Petition of Bell South Telecommunications, Inc. d/b/a South Central Bell Telephone Company ('Bell') to withdraw its tariff for paging services within the State of Tennessee and transfer its assets and authority to provide paging services within the State of Tennessee to A+ Communications, Inc. ('A+') and (B) the application of A+ to acquire Bell's assets and landline authority to provide paging services in Tennessee. This matter was set for hearing and heard on April 20, 1994, before Ralph B. Christian, II, Administrative Judge. On May 6, 1994 the Administrative Judge issued his Initial Order recommending that the application for transfer of Bell's landline paging authority be approved and that Bell's petition to withdraw its tariffs for paging services be granted. No exceptions to the Initial Order were filed.

The Commission considered this matter at the Commission Conference held on May 18, 1994. It was concluded after careful consideration of the entire record, including the Administrative Judge's Initial Order and all applicable laws and statutes, that the Administrative Judge's Initial Order should be approved and the authority should be transferred. The Commission further ratifies and adopts the findings and conclusions of the Administrative Judge as its own. IT IS THEREFORE ORDERED:

1. The transfer of Bell's paging assets and operating authority within every area in the State of Tennessee in which Bell currently has general landline local exchange telephone service authority to A+ shall be, and it is here, approved;
2. The terms and conditions of this transfer as set forth in an Asset Purchase Agreement entered into by Bell and A+ on June 15, 1992, and subsequently amended, on November 16, 1992, and, on August 20, 1993, are hereby approved;
3. Upon consummation of such transfer, Bell shall be allowed to withdraw its one-way paging tariffs; cease providing paging service in Tennessee; and shall thereafter have no certificated authority to provide paging services pursuant to its general landline local exchange telephone service authority anywhere within the State of Tennessee. This sale and transfer shall not impair, alter, affect or modify South Central Bell's rights and authority to offer existing or future telecommunications services in local exchanges throughout Tennessee except for one-way paging services;
4. Upon consummation of the transfer, Bell shall account for the sale by recognizing a gain on the sale in accordance with Uniform System of Accounts (USOA) Part 32 accounting requirements. This gain shall be recognized in the intrastate regulated results via an amortization of the gain over a period of five years beginning on January 1, 1994, and therefore, be included in results in setting rates;
5. Upon consummation of such transfer, A+ shall thereafter have the authority to erect and operate transmitters emitting one-way radio paging signals and to provide paging services in every area within the State of Tennessee in which Bell is currently authorized to serve as a general landline local exchange telephone service provider;
6. A+ shall file tariffs with the Commission for all service areas in which it proposes to provide paging services;
7. Any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order; and
8. Any party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.

ATTEST:

Paul Allen EXECUTIVE DIRECTOR

End of Document

© 2019 Thomson Reuters. No claim to original U.S. Government Works.

1984 WL 1028458 (Tenn.P.S.C.), 63 P.U.R.4th 524

Re Kingsport Power Company
Intervenor: Kingsport Power Users Association

No. U-84-7308

Tennessee Public Service Commission

November 15, 1984

Before Bissell, chairman, and Cochran, commissioner.

By the COMMISSION:

Order

This matter is before the Tennessee Public Service Commission upon the filing of a petition by Kingsport Power Company on May 15, 1984, requesting a rate increase of \$2,044,592.

This docket was set for hearing and was heard by Chairman Keith Bissell and Commissioner Jane G. Eskind at the National Guard Armory, West Stone Drive, Kingsport, Tennessee, on October 13, 1984.

The following appearances were entered at the hearing: Thomas Arthur Scott, Jr., Kingsport, Kevin F. Duffy, Columbus, Ohio, both appearing on behalf of the petitioner, Kingsport Power Company; Bruce Shine, Kingsport, appearing on behalf of intervenor, Kingsport Power Users Association; Henry Walker, Nashville, appearing on behalf of the commission's staff.

I. Statement of Facts

Kingsport Power Company, a wholly owned subsidiary of American Electric Power Company (AEP), serves approximately 35,000 customers living in a 220 square mile area in the counties of Sullivan, Hawkins, and Washington, Tennessee, and including the city of Kingsport and the town of Mount Carmel. Kingsport Power Company has no poweroperating facilities of its own and merely distributes electric power which it purchases from Appalachian Power Company (APCO), another subsidiary of AEP whose wholesale rates are regulated by the Federal Energy Regulatory Commission (FERC).

In its petition, Kingsport Power Company requested a revenue increase of 3.7 per cent or \$2,044,592 to offset increased operating expense and to provide the company with an adequate return on its investment. The proposed tariffs as filed with the petition allocates substantially all of the increase to the residential and small commercial customers of Kingsport Power Company.

Prefiled testimony on behalf of the petitioner was entered by John E. Faust, president of Kingsport Power Company; Bruce Barber, vice president, finance, American Electric Power Service Corporation, New York, New York; Clifford M. LaGraw, supervisor of regulatory and statistics section, Roanoke, Virginia; John Soper, consultant with the utility regulatory and advisory services group of Coopers and Lybrand; Dennis W. Bethel, senior rate analyst with the American Electric Power Service Corporation (AEPSC), a wholly owned subsidiary of American Electric Power Company, and Louis R. Jahn, manager-rate research and rate design, division of American Electric Power Service Corporation.

The staff presented prefiled testimony through its witnesses Athan Gibbs, David Hood, Hal Novak, and Archie Hickerson.

At the outset of the hearing, company president John Faust testified that the company was willing to accept the staff's accounting adjustments in the areas of rate base, revenues, and expenses and the company was willing to accept a return on rate base of 13.37 per cent (16 per cent on equity), which is within the range recommended by the staff. Mr. Faust pointed out that the return was lower than the 13.52 per cent return that the commission awarded in the last rate case, two years prior. A

return of 13.37 per cent would require a rate increase of \$1,086,203.

In light of the fact that the company accepted the adjustments as set forth by the staff the company did not offer any additional witnesses but did ask that all of the company's witnesses' prefiled testimony and exhibits be entered into the record as if read.

Staff witness Hickerson summarized the adjustments the staff made to the rate case as filed by the company. He stated that as a result of the investigation the staff recommend that the commission adopt a rate base of \$27,291,925 and a level of operating revenues and expenses that produce a net operating income of \$3,085,408. Mr. Hickerson went further to recommend that the company be allowed to earn 15.75 per cent on its common equity, resulting in a rate increase of \$1,038,859.

The commission's statutory duty in this proceeding is to determine just and reasonable rates of the company as provided by TCA Par 65-5-203. It shall be the duty of the commission to approve any such proposed increase in rates upon being satisfied after full hearing that the same is just and reasonable. The traditional approach utilized by this commission has been to examine the evidence presented and discuss the issues that evolve during the course of the hearing. These issues normally include the *selection of a test period* and the determination of the proper amounts of *revenues, expenses, and rate base* which are projected during the test period. The commission must also decide upon the fair rate of return which the company will be allowed to earn on its investment.

ii. Findings

A. Test Period

'Test period' is a term peculiar to regulation. It refers to a period of time, usually twelve months, during which the commission examines a company's revenues and expenses under existing rates and calculates the company's rate of return on its investment in rate base during that period.

There are generally two types of test periods that are accepted in rate-making proceeding: historical and forecast. Regardless of the approach used, the ultimate goal of a test period is to approximate the interrelationship between revenues, expenses, net operating income, and rate base which can be expected to exist during the initial period the new rates will be in effect.

In the present case, both the company and the staff adopted the 12-month period ended December 31, 1983, adjusted for known and anticipated changes through December, 1985. It is our opinion that this period is appropriate for evaluating the company's rates and we therefore also adopt it for this case.

B. Revenues and Expenses

The major adjustment proposed by the staff to operating revenues and expenses as presented by the company was for additional revenues and expenses related to the projected increase of electricity for the adjusted test year. These adjustments were summarized by Mr. Hickerson in his direct testimony at the hearing. Mr. Hickerson stated that the staff increased revenues by \$6,821,730, which was primarily to reflect additional sales to industrial and large commercial customers. He stated that the adjustment was made after contacting these customers and that the staff had discussed their projection of purchases for 1985 with Kingsport Power. Mr. Hickerson also stated that corresponding adjustments were made to reflect the increase in purchased power costs and the additional investment needed to serve these customers.

In summarizing the staff's adjustments, Mr. Hickerson pointed out that the staff increased other expenses and taxes by \$601,628. He pointed out that \$215,000 of this amount resulted from including the projected cost of an additional overhead line maintenance crew and a tree trimming crew. Mr. Hickerson further stated that an additional \$37,741 was included to reflect additional salaries and wages for the adjusted test year.

The staff also increased other operating taxes by \$300,917. Of this amount, \$253,910 was allocated for gross receipt taxes that the company will incur during 1985. In addition, Mr. Hickerson stated that the staff made an adjustment to reduce federal income tax by \$506,118. Approximately \$480,000 of this amount resulted from the staff's excluding the amortization of federal income tax on unbilled revenue as of December 31, 1983.¹

It is our opinion that the level of revenue and expenses developed by the staff and adopted by the company as shown on the following page, is approximate for evaluating the company's revenue requirement for 1985.

C. Rate Base

The company submitted a proposed rate base of \$27,078,606, while the staff proposed a rate base of \$27,291,925. The reason for the difference is the fact that the staff included additional projected electric plant that will be needed to serve certain customers during 1985. The projected additional revenue from these customers was also included by the staff. The staff also made an adjustment to increase the company's working capital by \$292,206. Additional adjustments were made to increase the company's accumulated deferred federal income tax and to include as a deduction the deferred gain related to the sale of the company's service building.

We have considered all of the adjustments made by the staff to the rate base as presented by the company, together with the fact that the company has adopted the rate base as adjusted by the staff. We find that the rate base of \$27,291,925 as developed by the staff and as shown on the following page, is approximate and should be used in evaluating the company's future revenue requirements.

KINGSPORT POWER COMPANY

INCOME STATEMENT FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1983, AS ADJUSTED

	Company	Adjustments	Staff
Operating Revenues:			
Sales of Electricity.....	\$54,705,538	\$6,821,730	\$61,527,268
Other	203,361	0	203,361
Total Operating Revenues.....	\$54,908,899	\$6,821,730	\$61,730,629
Operating Expenses:			
Purchase Power.....	\$43,226,672	\$6,297,420	\$49,524,092

Operation and Maintenance.....	4,620,180	259,228	4,879,408
Depreciation.....	1,258,815	8,629	1,267,444
Taxes Other Than FIT and Tn Excise	2,340,898	300,917	2,641,815
Tennessee Excise Tax.....	0	32,854	32,854
Federal Income Tax--Current	630,184	-606,762	23,422
--Def. FIT.....	54,622	109,850	164,472
--Def. ITC	142,000	-9,274	132,726
Total Federal Income Tax	\$826,806	-506,185	\$320,621
Total Operating Expenses	\$52,273,371	\$6,392,862	\$58,666,233
Operating Income.....	\$2,635,528	\$428,868	\$3,064,396
Contributions (net of taxes)	-5,607		-5,607
AFUDC	41,717		41,717
Interest on Customer Deposits.....	-15,098		-15,098
Adjusted Operating Income.....	\$2,656,540	\$428,868	\$3,085,408

KINGSPORT POWER COMPANY**AVERAGE RATE BASE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1983, AS ADJUSTED**

Company		Adjustment	Staff
Additions:			
Electric Plant in Service.....	\$39,818,673	\$257,719	\$40,076,392
Completed Const. not Class	297,827		297,827
Construction Work in Progress	560,564		560,564
Plant Held for Future Use	24,193		24,193
Working Capital Requirement.....	510,246	292,206	802,452
Total Additions	\$41,211,503	\$549,925	\$41,761,428
Deductions:			
Accumulated Depreciation	\$11,780,676	\$4,315	\$11,784,991
Customer Deposits.....	468,601		468,601
Contributions in Aid of Const	497,199		497,199
Customer Advances for Const.....	517,382		517,382
Accum. Deferred FIT	61,620	74,304	135,924

Accum. Deferred ITC.....	807,419		807,419
Accum. Deferred Gain	0	257,987	257,987
Total Deductions.....	\$14,132,897	\$336,606	\$14,469,503
Average Rate Base	\$27,078,606	\$213,319	\$27,291,925

D. Depreciation Rates

The company presented through its witness, John S. Soper, a depreciation study of its electric plant in service as of December 31, 1983. The purpose of the study was to review and recommend appropriate annual depreciation accrual rates for the company to use in computing annual book depreciation. Both the staff and the company adopted the proposed rates as a basis for revenue requirement and incorporated such rates in the company's cost of service. The commission finds that such rates are appropriate and approves the company's use of such rates in keeping its books. Said revised depreciation accrual rates shall be made effective on the first day of the month following the date of this order.

E. Rate of Return and Rate Design

Having determined the appropriate rate base, expense and revenue levels for the test period, we will now consider what rate of return the company should earn on its investment. The supreme court of Tennessee has directed that the company must be given a reasonable opportunity to earn in return [sic] that is within the 'range of reasonableness' in light of evidence in the record and the commission's independent evaluation of the current economic climate. [CF Industries v Tennessee Pub. Service Commission \(Tenn Sup 1980\) 599 SW2d 536.](#)

The determination of a rate of return within a 'zone of reasonableness' is a highly subjective decision and among the most difficult of this commission's regulatory responsibilities. Highly qualified expert witnesses studying the same data often reach radically different conclusions as to a utility's cost of capital. It is our duty, however, not simply to choose one expert's opinion or another but to examine the foundations of that opinion, apply our own expertise and judgment, and arrive at a cost of capital which balances the needs of the commission [sic] and its investors with the public interest. See Re [Area Rate Proceeding for Permian Basin \(1968\) 390 US 747, 791, 75 PUR3d 257, 20 L Ed 2d 312, 88 S Ct 1344.](#)

In this case, company president John Faust stated at the outset of the hearing that the company would be willing to accept in this case a return on equity of 16 per cent even through [sic] the company's expert witness had recommended a return of 17 per cent. Mr. Faust also asked that the resulting rate increase be imposed primarily on residential users in accordance with the company's cost-of-service studies which indicated that those customers are presently subsidized, to varying degrees, by industrial and commercial customers. Staff witness Hickerson recommended a return on equity of 15.75 per cent based on the same capital structure used by the company (38 per cent equity and 62 per cent debt). Mr. Hickerson also stated that a return of 16 per cent would be within his recommended range and a 'fair' result in this case. Mr. Hickerson offered no testimony on rate design. Arthur Smith, testifying on behalf of Kingsport Power Users Association, said that the association recommended that the commission award the company a 16 per cent return on equity as long as the resulting rate increases were spread evenly across all customer classes. Mr. Smith also pointed to a number of questionable assumptions underlying the company's cost-of-service study and recommended that the commission, at the time of the company's next rate filing, hire an independent consultant to conduct a new such study specifically applicable to Tennessee ratepayers. The staff, in its

posthearing brief, recommended in light of the testimony of Mr. Faust, Mr. Hickerson, and Mr. Smith that the commission adopt Mr. Smith's proposed compromise on the issues of rate-of-return and rate design which would result in a revenue award of \$1,086,203.

It is apparent from the testimony and briefs that all parties to this case have reached substantial agreement on these two issues. This agreement is not binding on the commission, however, which must make an independent determination of whether or not a 16 per cent return on equity is fair and reasonable. After examining the testimony of witnesses Hickerson and Barber, the commission finds that a return of 15.75 per cent is more consistent with the earnings of comparable utility companies and a more accurate estimation of the cost of equity capital during the coming year than 16 per cent. The determination of a fair return is hardly an exact science and Mr. Hickerson candidly admitted that a 16 per cent return is a 'fair' result since it falls within the upper limit of his own recommended range. We see no reason, however, to depart from his recommended return of 15.75 per cent merely because the company and intervenors are willing to agree to a 16 per cent return. If 16 per cent is within the 'range of reasonableness,' a return of 15.75 per cent, or 25 basis points less, is not beyond that range. We therefore adopt Mr. Hickerson's recommendation on the cost of equity which results in a revenue award of \$1,038,859.

On the issue of rate design, we agree with Mr. Smith that the company's cost-of-service study--which was not based on actual operations in Tennessee-- is based on several questionable assumptions concerning the allocation of plant costs. While the commission has stated in the past that we will move toward the implementation cost-based rates, we must be assured that those costs are properly allocated among customer classes. We will therefore adopt Mr. Smith's recommendation that, until these questions can be settled by an independent investigation of the company's costs in Tennessee, we direct that the rate increase awarded in this case be spread evenly among the various tariffed groups. We agree and adopt, however, the other tariff changes which were recommended by the company and not opposed by any party.

The company has filed with the commission revised rates consistent with this order. The commission staff has reviewed these tariffs and recommends that we approve them. We therefore will accept the company's tariffs for filing, for service rendered on and after the date of this order.

Footnotes

- 1 In its filing, the company requested a provision for the tax effect of the test-year balance of unbilled revenue to be collected over a three-year period. The company included this adjustment because the Internal Revenue Service (IRS) has established a strong position to include unbilled revenue in taxable income and the company's ratepayers have received the benefits associated with the exclusion from taxable income of unbilled revenue since 1974. The staff has rejected this adjustment on the grounds that resolution of these disallowances by the IRS may not occur for at least three to five years and because it is merely a proposed revenue agent's adjustment. This commission agrees with the staff's elimination of this adjustment at this time. However, this commission recognizes that the company's ratepayers have enjoyed the rate-making benefit of the exclusion from taxable income of unbilled revenue and will consider such an adjustment if this issue is resolved in favor of the IRS position.

REGULATIONS TO GOVERN THE PRESERVATION OF RECORDS OF ELECTRIC, GAS AND WATER UTILITIES



Revised October 2007

National Association of
Regulatory Utility Commissioners
1101 Vermont Avenue, N.W., Suite 200
Washington, DC 20005
Telephone (202) 898-2200

Price: \$20.00

Prepared by the
Staff Subcommittee on Accounting and Finance
of the
National Association of
Regulatory Utility Commissioners

TABLE OF CONTENTS

	Page
General Instructions	1
Schedule of Records and Periods of Retention	
Corporate and General	4
Information Technology Management	8
General Accounting Records	9
Insurance	11
Operations and Maintenance	12
Personnel	17
Plant and Depreciation	19
Purchases and Stores	21
Revenue Accounting and Collecting	23
Tax	27
Treasury	28
Miscellaneous	30

GENERAL INSTRUCTIONS

A. SCOPE

1. These guidelines are for use by states in developing regulations to govern the preservation of records of electric, gas, and water utilities. These regulations are intended to apply to all financial and operating records prepared by or on behalf of the public utility or licensee. See Item 64 of the schedule for those records which come into possession of the public utility or licensee in connection with the acquisition of property, such as purchase, consolidation, merger, etc.

2. The regulations in this part should not be construed as excusing compliance with other lawful requirements of any other governmental body, Federal or State, prescribing other record keeping requirements or for preservation of records longer than those prescribed in this part. To the extent that any commission regulations may provide for a different retention period, the records should be retained for the longer of the retention periods.

3. Unless otherwise specified in the Schedule, duplicate copies of records may be destroyed at any time: Provided, however, that such duplicate copies contain no significant information not shown on the originals.

4. Records other than those listed in the attached schedule may be destroyed at the option of the public utility or licensee: Provided, however, that records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, provided further, that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

5. Notwithstanding the provisions of the Records Retention Schedule, the Commission may, upon the request of the Company, authorize a shorter period of retention for any record listed therein upon a showing by the Company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

B. DESIGNATION OF SUPERVISORY OFFICIAL

Each public utility or licensee subject to the regulations in this part shall designate one or more persons with official responsibility to supervise the utility's or licensee's program for preservation and the authorized destruction of its records.

C. PROTECTION AND STORAGE OF RECORDS

The public utility or licensee shall provide reasonable protection for records subject to the regulations in this part from damage by fires, floods, and other hazards and, in the selection of storage spaces, safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

D. DEFINITION OF RECORD MEDIA

Each public utility and licensee has the flexibility to select its own storage media subject to the following conditions.

1. The storage media selected must have a standard life expectancy at least equal to the applicable record retention period.

2. Each public utility and licensee is required to implement internal control procedures that assure the reliability of, and ready access to, data stored on machine readable media. Internal control procedures must be documented by a responsible supervisory official.

3. Each transfer of data from one media to another must be verified for accuracy and documented. Software and hardware required to produce readable records must be retained for the same period the media format is used.

E. DESTRUCTION OF RECORDS

At the expiration of the retention period, public utilities and licensees may use any appropriate method to destroy records. Precautions should be taken, however, to destroy the legibility of records, the content of which is forbidden by law to be divulged to unauthorized persons.

F. PREMATURE DESTRUCTION OR LOSS OF RECORDS

When any records are destroyed before the expiration of the prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed and describing the circumstances of accidental or other premature destruction or loss shall be filed with the Commission within ninety (90) days from the date of discovery of such destruction. Discovery of loss of records is to be treated in the same manner as in the case of premature destruction.

G. SCHEDULE OF RECORDS RETENTION PERIODS

The schedule of records annexed hereto shows the period of time designated records shall be preserved. However, records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by the regulatory commission having jurisdiction. If the plant is sold, the associated records or copies thereof, must be transferred to the new owners.

H. RETENTION PERIODS DESIGNATED "DESTROY AT COMPANY'S OPTION"

Use of the retention period, "Destroy at Company's Option" constitutes authorization for destruction of records at managements' discretion if it does not conflict with other legal

retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

I. RECORDS OF SERVICES PERFORMED BY ASSOCIATED COMPANIES

Public utilities and licensees shall assure the availability of records of services performed by and for associated or affiliated companies with supporting cost information for the periods indicated herein, as are necessary to be able to readily furnish detailed information as to the nature of the transaction, the amounts involved, and the accounts used to record the transactions.

J. INDEX OF RECORDS

At each office of the Public Utility or Licensee where records are kept or stored, such records as are herein required to be preserved shall be so arranged, filed, and currently indexed that they may be readily identified and made available to representatives of the Commission.

K. RATE CASE

Notwithstanding the minimum retention periods provided in these regulations, if a public utility or licensee wants to reflect costs in a current, future, or pending rate case, or if a public utility or licensee has abandoned or retired a plant subsequent to the test period of the utility's rate case, the utility shall retain the appropriate records to support the costs and adjustments proposed in the current or next rate case.

L. PENDING COMPLAINT LITIGATION OR GOVERNMENTAL PROCEEDINGS

Notwithstanding the minimum requirements, if a public utility or licensee is involved in pending litigation, complaint procedures, proceedings remanded by the court, or governmental proceedings, it shall retain all relevant records.

M. LIFE OR MORTALITY STUDY DATA

Life or mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired, whichever is longer.

Schedule of Records and Periods of Retention for Electric, Gas and Water Utilities

Item No.		Description	Minimum Retention Period ¹
Corporate and General			
1		Capital Stock Records:	
	a	Capital stock ledgers or other records showing the same information.	3 years after stockholders' account is closed
	b	Capital stock subscription accounts, warrants, requests for allotments and other essential papers related thereto.	2 years
	c	Stubs or similar records of capital stock certificate issuance where not used as capital stock ledger record.	3 years after cancellation of certificate
	d	Stock transfer registers or sheets or similar records.	3 years after fiscal year end
	e	Papers pertaining to or supporting transfers of capital stock:	
	(1)	Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary and miscellaneous papers.	3 years or return to stockholder
	(2)	Any other papers not described in e(1) above.	3 years from date of transfer
	f	Canceled capital stock certificates not used as capital stock ledger records.	3 years after cancellation of certificates
	g	RESERVED	
	h	Bonds of indemnity and affidavits covering issuances of stock certificates to replace lost certificates.	6 years after expiration of bonds
	i	Letters, notices, reports, statements and other communications distributed to all stockholders of a particular class:	

¹ Unless otherwise specified in this Schedule of Records and Periods of Retention, retention periods are from date of creation.

Item No.		Description	Minimum Retention Period
	(1)	Solicitations of consents or waivers	Destroy at company's option after expiration and annual audit
	(2)	Notices of redemption or invitations for tender.	Destroy at company's option after consummation and annual audit
	(3)	Interim reports, dividend notices, notices of change of corporate address and similar communications of information of only current significance.	Destroy at company's option after annual audit
	(4)	Notices of annual and special meetings of stockholders and other notices, reports, letters or statements relating to corporate or stockholder actions.	Destroy at company's option
	j	Dividend registers, lists or similar records.	3 years
	k	Paid dividend checks.	3 years
1		Third party dividend orders.	6 years after recision order
2		Proxies and voting lists:	
	a	Proxies of holders of voting securities.	3 years
	b	Lists of holders of voting securities represented at meetings.	3 years
3		Reports to stockholders:	
	a	Annual reports or statements to stockholders.	5 years
	b	RESERVED	
4		Debt security records:	
	a	Registered bond and debenture ledgers.	3 years after redemption
	b	Bond and debenture subscription accounts, warrants, subscription notices, request for allotment and essential papers related thereto.	3 years after settlement
	c	Stubs or similar records of bond and debenture certificates issued.	3 years after redemption
	d	Papers pertaining to or supporting transfers of registered bonds and debentures:	
	(1)	Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary, plus other miscellaneous papers.	Destroy at company's option or return to holders of the bonds or debentures

Item No.		Description	Minimum Retention Period ¹
	(2)	Any other papers not described in d(1) above.	3 years after transfer
e		Records of bond and debenture interest coupons paid and unpaid.	Destroy at company's option
f		Canceled bonds and debentures and paid interest coupons pertaining thereto.	Destroy at company's option
g		Trust indentures, loan agreements or other contracts of agreements securing debt securities issued. (If such papers or documents are included among the records covered by Item 5 below, this instruction will not apply.)	3 years after redemption
h		Copies of reports, statements, letter of memoranda filed with Trustee(s) pursuant to provisions of trust indenture or other security instrument of agreement securing debt securities:	
	(1)	Stored with trustee.	6 years
	(2)	Stored with company.	3 years after redemption
i		Paid or canceled debt securities evidencing temporary borrowings.	3 years after payment or cancellation
J		Paid interest checks.	3 years
5		Filings with and authorization by regulatory agencies:	
a		Authorizations from regulatory bodies for issuance of securities:	
	(1)	Copies of applications to regulatory bodies for authority to issue stocks, bonds, and other securities, including copies of exhibits in support of such applications.	Until securities covered are retired.
	(2)	Official copies of opinions and orders of regulatory bodies granting authority to issue securities.	Until securities covered are retired.
	(3)	Reports filed with regulatory bodies in compliance with authorizations to issue securities. (Reports of sales of securities of application of proceeds, etc.). File copies of such reports and supporting papers.	Until securities covered are retired.
b		Copies of registration statements and other data filed with the Securities and Exchange Commission:	
	(1)	In connection with offerings of securities for sale to the public or the listing of securities on exchanges, including supporting papers.	Until securities covered are retired.

Item No.		Description	Minimum Retention Period ¹
	(2)	Copies of periodic reports and supporting papers filed in compliance with either the Securities Act of 1933 or the Securities Exchange Act of 1934.	10 years
6		Organizational documents:	
	a	Minute books of stockholders', directors', and directors' committee meetings.	Life of Corporation
	b	Titles, franchises, and licenses:	
	(1)	Deeds and other title papers (including abstracts of title and supporting data).	6 years after disposal of property
	(2)	Corporate charters or certificates of incorporation.	Life of Corporation
	(3)	Franchises and certificates authorizing operations as a public utility.	Life of Corporation
	(4)	Licenses (including amendments thereof) granted by Federal or State authorities for construction and operations of utility plant.	10 years after plant is retired or expiration of license, whichever is shorter
	(5)	Copies of formal orders of regulatory commissions served upon the utility.	3 years after repeal or supersession
	(6)	Easements.	Life of Corporation
	c	Permits:	
	(1)	Permits and granted applications for the use of facilities of others.	1 year after expiration or cancellation
	(2)	Copies of permits and applications granted others for the use of the utility's facilities.	1 year after expiration or cancellation
	(3)	Applications for the use of facilities not granted and copies of such applications.	Destroy at company's option
	(4)	Permits of a temporary nature of municipalities or others to perform specific work, such as permits to open streets.	Destroy at company's option
	d	Organization diagrams and charts.	Destroy at company's option
7		Contracts and agreements (except contracts provided for elsewhere):	
	a	Service contracts, such as for management, accounting and financial services.	6 years after expiration or cancellation

Item No.		Description	Minimum Retention Period!
	b	Contracts with other utilities for the purchase, sale or interchange of product.	6 years after expiration or cancellation
	c	Leases pertaining to rentals of property to or from others.	6 years after expiration or cancellation
	d	Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours and similar matters.	6 years after expiration or cancellation
	e	Contracts, agreements, and/or other essential records necessary to the carrying out of the functions of an employee's stock purchase or other type of employees' saving plan.	6 years after expiration or cancellation
	f	Contracts or agreements for the acquisition or disposal of investments (Excluding temporary cash investments).	6 years after disposal
	g	Memoranda essential to clarifying or explaining provisions of contracts listed above.	6 years after expiration or cancellation
	h	Card or book records of contracts, leases, and agreements made showing dates of expirations and of renewals, memoranda of receipts and payments under such contracts, etc.	6 years after expiration or cancellation
8		Accountants' and auditors' reports:	
	a	Reports of examinations and audits by accountants and auditors not in the regular employ of the utility (Such as reports of public accounting firms and regulatory commission accountants).	5 years after date of report or subsequent Commission audit, whichever comes last
	b	Internal audit reports and work papers.	5 years after date of report or subsequent Commission audit, whichever comes last
Information Technology Management			
9		Information Technology Management:	
	a	Original source data used as input for data processing and data processing report outputs.	Retain for the applicable periods prescribed elsewhere in the schedule.

Item No.			Description	Minimum Retention Period
	b		Technology (e.g., software code or purchased software program) necessary to produce an accurate record in its original format in an accessible storage medium.	Retain for a period at least equal to the applicable record retention period.
	c		Software program documentation and revisions thereto; e.g., statements and illustrations that indicate the application being performed, the procedures employed in each application, and the controls used to insure accurate and reliable processing. Major program changes, together with their effective dates, should be noted in order to preserve an accurate chronological record.	Retain as long as it represents an active, viable program or for periods prescribed for related output data, whichever is shorter.
General Accounting Records				
10			General and subsidiary ledgers:	
	a	(1)	General ledgers.	20 years
		(2)	Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.	20 years
	b	(1)	Indexes to general ledgers.	20 years
		(2)	Indexes to subsidiary ledgers except ledgers provided for elsewhere.	20 years
	c		Trial balance sheets of general and subsidiary ledgers.	20 years
11			Journals:	
	a		General and subsidiary.	20 years
12			Journal vouchers and journal entries including supporting detail:	
	a		Journal vouchers and journal entries.	20 years
	b		Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries:	
		(1)	Charging plant accounts.	6 years after plant is retired or sold
		(2)	Charging all other accounts.	6 years
	c		Schedules for recurring journal entries.	Destroy when superseded.
	d		Lists of standard journal entry numbers.	Destroy when superseded.
13			Cash books:	
	a		General and subsidiary or auxiliary books.	6 years after close of fiscal year.
14			Voucher registers:	

Item No.			Description	Minimum Retention Period ¹
	a		Voucher registers or similar records when used as a source document..	25 years
15			Vouchers:	
	a		Paid and canceled vouchers to include original bills and invoices for materials, services, etc paid by vouchers and authorization for payment:	
		(1)	Plant.	6 years after plant is retired or sold
		(2)	Non-Plant.	6 years
	b		Paid checks and receipts for payments by voucher or otherwise.	6 years
16			Accounts receivable (see Items 52 and 53 for accounts with customers for utility service and for merchandise sales):	
	a		Records of accounts receivable pertaining to sales of utility plant.	3 years after settlement.
	b		Record or register of accounts receivable and indexes thereto and summaries of distribution.	3 years after settlement.
17			Records of securities owned:	
	a		Records of securities owned, in treasury, or with custodians (excluding temporary investment of cash).	3 years after disposal of the investment.
18			Payroll records:	
	a		Payroll sheets or registers of payments of salaries and wages:	
		(1)	Plant.	6 years after plant is retired or sold
		(2)	Plant Identified on Work Order.	6 years
		(3)	Non-Plant.	6 years
	b		Records showing the distribution of salaries and wages paid and summary statements of such distribution:	
		(1)	Plant.	6 years after plant is retired or sold
		(2)	Plant Identified on Work Order.	6 years
		(3)	Non-Plant.	6 years
	c		Time tickets, time sheets, time books, time cards, workmen's reports and other records showing hours worked, description of work and accounts to be charged:	
		(1)	When used as a basis for payment of salaries and wages and records described in 18(a) are not maintained:	

Item No.			Description	Minimum Retention Period
			(1) Plant.	6 years after plant is retired or sold
			(2) Plant Identified on Work Order.	6 years
			(3) Non-Plant.	6 years
	d		Paid checks, receipts for wages paid in cash and other evidences of payments for services rendered by employees.	3 years
	e		Applications and authorizations for changes in wage and salary rates.	6 years
	f		RESERVED	
	g		Payroll authorizations and records of authorized positions.	6 years
	h		Records of deductions from payrolls.	2 years
	i		Comparative or analytical statements of payrolls.	6 years
	j		Employee's individual earnings record.	6 years after termination of employment
	k		Summaries and reports of changes in payrolls and similar records.	6 years
	1		Payroll deduction authorizations.	1 year after superseded
19			Assignments, attachments, and garnishments:	
	a		Record of assignments, attachments, and garnishments of employees' salaries, including files of notice, etc., pertaining thereto.	2 years
Insurance				
20			Insurance records:	
	a		Insurance policies, insurance requirements, records of policies in force, showing coverage, premiums paid and expiration dates.	6 years after expiration
	b		Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers:	
			(1) Plant.	6 years after plant is retired or sold
			(2) Non-Plant.	6 years
	c		Inspectors' reports and records of condition of property.	Destroy when superseded.
	d		Insurance maps of property and structures erected thereon.	Destroy when superseded.
	e		RESERVED	

Item No.		Description	Minimum Retention Period ¹
21		Injuries and damages:	
	a	Claim registers, card or book indexes and similar records in connection with claims presented against the company in connection with accidents resulting in damage to the property or personal injuries:	
		(1) Minors.	3 years after reaching age of majority.
		(2) Adults.	3 years after settlement.
	b	Papers, reports, statements of witnesses, etc., necessary to the support or rejection of individual claims against the company:	
		(1) Minors.	3 years after reaching age of majority.
		(2) Adults.	3 years after settlement.
	c	Other papers, reports or statements, pertaining to accidents resulting in property damages or personal injuries, not necessary to the support or rejection of claims:	
		(1) Minors	3 years after reaching age of majority.
		(2) Adults.	3 years after settlement.
	d	Detailed schedules or spread sheets of payments to others for personal injuries or for property damages:	
		(1) Minors.	3 years after reaching age of majority.
		(2) Adults.	3 years after settlement.
	e	Worker compensation cases related to injuries.	12 years from date of injury, death, or date that compensation was last paid.
Operations and Maintenance			
22		Production - Electric:	
	a	Boiler room, condenser room, turbine room, and pump room logs, including supporting data.	6 years

Item No.		Description	Minimum Retention Period I
	b	Boiler room and turbine room reports of equipment in service and performance.	6 years
	c	Boiler-tube failure report.	6 years
	d	Generation and output logs with supporting data.	6 years
	e	Station and system supply records.	Life of Corporation
	f	Generating high-tension and low-tension load records.	6 years
	g	Oil and waste reports.	6 years
	h	Load curves, temperature logs, coal, and water logs.	6 years
	i	Gauge-reading reports:	
	(1)	River flow data.	Life of Corporation
	(2)	All other.	6 years
	j	Recording instrument charts.	6 years
	k	Load dispatcher's and station permits.	6 years
	l	Interruption records.	6 years
22		Production- Gas:	
	a	Boiler and gas machine logs, including supporting data.	6 years
	b	Gas generation and output logs with supporting data.	Life of Corporation
	c	Temperature and atmospheric pressure logs.	6 years
	d	Coal, coke and oil reports.	6 years
	e	Residual reports.	6 years
	f	Recording instrument charts such as pressure (static and/or differential), temperature, specific gravity, heating value, etc.	6 years
	g	Test of heating value at stations and outlying points.	6 years
	h	Records of gas produced, gas purchased, gas sent out and holder stock.	Life of Corporation
	i	Analysis of gas produced and purchased including Btu and sulfur content.	6 years
	J	Records of general inspection and operating tests.	6 years
	k	Well records, including clearing, bailing, shooting, etc., records; rock pressure; open flow; production, gas analysts' reports, etc.	6 years or 1 year after field or relevant production area abandoned, whichever is longer.
	l	Gasoline production.	6 years
	m	Gas production by counties.	6 years

Item No.			Description	Minimum Retention Period ¹
	n		Gas measuring records.	6 years
	o		Tool record.	For life of equipment or destroy after including in mortality study, whichever is later.
	p		Royalty record.	6 years
	q		Records of meter tests.	Until superseding test, but not less than six years.
	r		Meter history records.	For life of meter.
22			Production - Nuclear:	
			(Note: Nuclear records must be retained in accordance with NRC Regulations -Title X)	
	a		Records of normal plant operation, including power levels and periods of operation at each power level.	6 years/operating charts for the first year's operation will be stored for the life of the corporation.
	b		Records of principal maintenance activities, including inspection, repair, substitution or replacement of principal items of equipment pertaining to nuclear safety.	6 years/operating charts for the first year's operation will be stored for the life of the corporation.
	c		Records of abnormal occurrences.	6 years/operating charts for the first year's operation will be stored for the life of the corporation.
	d		Records of periodic checks, inspections and calibrations performed to verify that surveillance requirements are being met.	6 years/operating charts for the first year's operation will be stored for the life of the corporation.
	e		Records and prints of changes made to the plant as described in the Final Safety Analysis Report.	10 years
	f		Records of new and spent fuel inventory and assembly histories.	10 years

Item No.			Description	Minimum Retention Period ¹
	g		Records of monthly plant radiation and continuation surveys.	10 years
	h		Records of off-site environmental monitoring surveys.	10 years
	1		Records of radiation exposure of all plant personnel, including all contractors and visitors to the plant who enter radiation control areas.	10 years
	j		Records of radioactivity in liquid and gaseous wastes released to the environment.	10 years
	k		Records of any special reactor tests or experiments.	10 years
	1		Records of changes made in the operating procedures.	10 years
	m		In-service inspection records.	Life of plant
22			Production- Water Supply, Purification and Pumping:	
	a		Record of water supplied to distribution system, by sources.	15 years or 3 years after the source is abandoned, whichever is shorter.
	b		Boiler room, condenser room, turbine room, and pump room logs, including supporting data.	6 years
	c		Boiler room and turbine room reports of equipment in service and performance.	6 years
	d		Equipment failure report.	6 years
	e		Pumping output logs with supporting data.	6 years
	f		Station output reports.	25 years for hydro, 6 years for steam or other.
	g		Oil and waste reports.	6 years
	h		Coal and water logs.	6 years
	1		Gauge-reading reports.	6 years
	j		Recording instrument charts.	6 years
	k		River flow data.	Life of Corporation
23			Transmission and Distribution- Electric:	
	a		Substation and transmission line logs.	6 years
	b		System operator's daily logs and reports of operation.	6 years
	c		Storage battery and other equipment logs and records.	6 years
	d		Interruption logs and reports.	6 years
	e		Records of substation general inspections and operation tests.	6 years
	f		Apparatus failure reports.	6 years
	g		Line-trouble reports and records.	6 years

Item No.		Description	Minimum Retention Period
	h	Lightning and storm data.	6 years
	i	Insulator test records.	6 years
	J	Reports on inspections and repairs of all street openings.	6 years
	k	Records of meter tests.	Until superseding test but not less than 6 years
	1	Meter shop reports (monthly reports summarizing tests, repairs, etc.).	6 years
	m	Meter history records.	For life of meter or 6 years, whichever is longer.
	n	Transformer history records including inspections, oil tests, etc.	Life of Corporation (EPA Standard)
	o	RESERVED	
	p	Pole, tower, structure, and other equipment history records.	Life of Equipment
	q	Voltimeter records.	6 years or until superseded.
	r	Annual meter accuracy summary.	20 years
23		Transmission and Distribution - Gas:	
	a	Transmission line logs.	6 years
	b	Transmission and distribution department load dispatching operating logs.	6 years
	c	Service interruption logs and reports.	6 years
	d	Records of general inspection and operating tests.	6 years
	e	Reports on inspections and repairs of all street openings.	6 years
	f	Apparatus failure reports.	6 years
	g	Records of meter tests.	Until superseding test but not less than 6 years
	h	Meter history records.	For life of meter or 6 years, whichever is longer.
	i	Meter shop reports (monthly reports summarizing tests, repairs, etc.)	3 years
	j	Gas measuring records.	6 years
	k	Transmission line operating reports.	6 years
	1	Compressor operation and reports.	6 years
	m	Gas pressure department reports.	6 years

Item No.			Description	Minimum Retention Period
	n		Recording instrument charts such as pressure (static and differential), temperature, specific gravity, heating value, etc.	6 years
	o		Corrosion control records.	3 years
	p		Leak and leak repair.	Life of Pipeline
	q		Annual meter accuracy summary.	20 years
23			Transmission and Distribution- Water:	
	a		Operator's daily logs and reports of operation.	6 years
	b		Equipment logs and records.	6 years
	c		Apparatus failure reports.	6 years
	d		Reports on inspections and repairs of all street openings.	6 years
	e		Records of meter tests.	Until superseding test but not less than 6 years
	f		Meter history records.	For life of meter or 6 years, whichever is longer.
	g		Pipelines, structures, equipment and other history records.	For life of equipment.
	h		Meter shop reports (monthly reports summarizing tests, repairs, etc.).	6 years
24			Customers' service:	
	a		Reports of inspections of customer's premises.	6 years
	b		Records and reports of customers' service complaints.	6 years
	c		Reports of inspections of customers' equipment – gas.	10 years
25			RESERVED	
26			Maintenance work orders and job orders:	
	a		Authorization for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.	6 years
	b		Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance and other work pertaining to utility operations.	6 years
	c		Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).	6 years
Personnel				
27			Personnel Records:	

Item No.			Description	Minimum Retention Period ¹
	a		Employees' service records, length of service and other pertinent data.	3 years after termination of employment.
	b		Applications for employment, requests for medical examination, medical examiner's report, photographs, and other identification records, and other miscellaneous records pertaining to the hiring of employees.	2 years
	c		Requests for medical examination, medical examiner's report other than pre-employment.	3 years after termination of employment.
	d		Illness and injury records not including exposure records.	30 years
	e		Records of employee exposures to toxic substances.	Life of Corporation
	f		Records of employee exposures to radiation.	Life of Corporation
	g		Records of employee training in handling of hazardous materials.	Life of Corporation
28			Employees' benefit and pension records (includes medical retirement, savings and stock ownership plans):	
	a		Detailed computations of accruals for pension liabilities.	6 years after supersession or termination of the plan.
	b		Pension or annuity payrolls.	6 years
	c		Pension or annuity checks.	3 years
	d		Plan description and summary plan description.	6 years after supersession of the plan.
	e		Plan annual reports.	3 years after supersession of the plan.
	f		Plan statements to employees and beneficiaries.	3 years after supersession of the plan.
29			Instructions to employees and others:	
	a		Bulletins or memoranda of general instructions issued by the company to employees pertaining to changes in accounting, engineering, operating, maintenance and construction policies.	3 years after expiration.

Item No.		Description	Minimum Retention Period ¹
	b	Bulletins or memoranda of general instructions issued by the company to employees pertaining to accounting, engineering, operating, maintenance and construction methods and procedures.	Destroy after expiration or supersession.
	c	Notices to employees on matters of discipline, deportment, and other similar subjects.	Destroy at company's option
Plant and Depreciation			
30		Plant Ledgers:	
	a	Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes.	6 years after plant is retired or sold
	b	Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned.	6 years after plant is retired or sold, provided mortality data are retained.
31		Construction work in progress ledgers, work orders, and supplemental records:	
	a	Construction work in progress records, income ledgers, work order sheets, authorizations for expenditures, requisitions, performance reports analysis or cost reports. Analysis or cost reports showing quantities of materials used, unit costs, number of manhours, etc., in connection with completed construction project:	5 years after clearance to the plant account, provided continuing plant inventory records are maintained: otherwise six years after plant is retired
		(1) Plant inventory ledger maintained.	5 years
		(2) Plant inventory ledgers not maintained.	6 years after plant is retired or sold
	b	RESERVED	
	c	RESERVED	
	d	Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost and the basis therefore (including original and revised or subsequent authorizations).	5 years
	e	Requisitions and registers of authorizations for utility plant expenditures.	5 years
	f	Completion or performance reports showing comparison between authorized estimated and actual expenditures for utility plant additions.	5 years
	g	RESERVED	

Item No.			Description	Minimum Retention Period!
	h		Records and reports pertaining to progress of construction work, the order in which jobs are to be completed and similar records which do not form a basis of entries to the accounts.	Destroy at company's option
	i		Well-drilling logs and well-construction records.	1 year after field or relevant production area abandoned.
32			Retirement work in progress ledgers, work orders, and supplemental records:	
	a		Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retired.	6 years after plant is retired or sold;
	b		Authorizations for retirement of utility plant, including memoranda showing the basis for determination of cost of plant to be retired and estimates of salvage and removal costs.	6 years after retirement
	c		Registers of retirement work orders.	6 years
33			Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records:	5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise six years after plant is retired
		(1)	Plant inventory ledger maintained.	10 years
		(2)	Plant inventory ledgers not maintained.	6 years after plant is retired or sold
34			Appraisals and valuations:	
	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.)	3 years after disposal.
	b		Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of:	

Item No.			Description	Minimum Retention Period ¹
		(1)	Mergers or acquisitions.	6 years after plant is retired or sold
		(2)	Asset impairments.	6 years after plant is retired or sold
		(3)	Other bases.	6 years after plant is retired or sold
35			The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed facilities: Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies, and similar records showing the location of proposed or as-constructed facilities:	6 years after plant is retired or sold
36			RESERVED	
37			Contracts and other agreements relating to utility or natural gas company records:	
	a		Contracts relating to acquisition or sale of plant.	6 years after plant is retired or sold
	b		Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).	6 years after plant is retired or sold
	c		The primary records of gas acreage owned, leased or optioned excluding deeds and leases but including such records as lease sheets, leasehold cards, and option agreements.	6 years after rights to the gas acreage have expired or otherwise have dissolved.
38			Records pertaining to reclassifications of utility plant accounts to conform to prescribed systems of accounts, including supporting papers showing the basis for such reclassifications:	6 years
39			Records of accumulated provision for depreciation and depletion of utility plant:	
	a		Detailed records or analysis sheets segregating the accumulated provision for depreciation according to functional classification of plant.	6 years after plant is retired or sold
	b		Records supporting computation of depreciation and depletion expense of utility plant, including such data as life and salvage studies.	6 years after plant is retired or sold
Purchases and Stores				
40			Procurements:	

Item No.		Description	Minimum Retention Period
	a	Agreements for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set forth in Item 7 such as, but not limited to: letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements and the various types of purchase orders:	
		(1) For goods or services relating to plant construction.	6 years after plant is retired or sold
		(2) For other goods or services.	6 years
	b	Supporting documents evidencing all relevant elements of the procurement process including bids and proposals:	
		(1) Accepted bids and proposals.	6 years
		(2) Unaccepted bids and proposals or summaries thereof.	6 years
		(3) All other supporting records such as requisitions, advice notices from suppliers, registers or similar records of invoices.	2 years
41		Material ledgers: ledger sheets of materials and supplies received, issued, and on hand:	6 years after the date records/ledgers were created.
42		Materials and supplies received and issued:	
	a	Records and reports pertaining to receipt of materials and supplies:	
		(1) Plant.	6 years after plant is retired or sold
		(2) Non-Plant.	6 years
	b	Records of inspecting and testing materials and supplies.	2 years
	c	Records showing the detailed distribution of materials and supplies issued during accounting periods:	
		(1) Plant.	6 years after plant is retired or sold
		(2) Non-Plant.	6 years
	d	Records of material issued, transferred or returned to stock:	
		(1) Showing quantities, unit prices, and accounts to be charged.	3 years
		(2) Showing only quantities and accounts to be charged.	Destroy at company's option if the basic information contained thereon is transferred to other records

Item No.			Description	Minimum Retention Period ¹
	e		RESERVED	
43			Records of sales of scrap and materials and supplies and disposal of waste materials:	
	a		Contracts and authorizations for sale of scrap and materials and supplies:	
		(1)	Non-toxic waste materials.	Life of Corporation
		(2)	Toxic waste materials including environmental contaminants, PCB's, nuclear waste, etc.	Life of Corporation
	b		Memoranda pertaining to sale of scrap and materials and supplies.	6 years after expiration of contract
	c		Contracts, permits, and authorizations pertaining to disposal of waste materials.	Life of Corporation
	d		Records evidencing disposal of non-toxic and toxic (environmental contaminants, PCB's, nuclear waste, etc.) waste materials including destinations, routes, bills of lading, manifests, storage, containers, and other documents supporting disposal.	Life of Corporation
44			Inventories of materials and supplies:	
	a		General inventories of materials and supplies including accounting adjustments required to bring stores records into agreement with physical inventories.	2 years
	b		Stock cards, inventory cards, and other inventory records if summarized by records covered by "44a."	Destroy at company's option
	c		Minor inventories of materials and supplies on hand if not reflected in adjustments of accounts.	Destroy at company's option
Revenue Accounting and Collecting				
45			Customers' service applications and contracts:	
	a		Applications for utility service and other records.	6 years after expiration or cancellation
	b		Reserved	
	c		Reserved	
	d		Applications for utility service which were withdrawn by applicant or not granted by the utility.	1 year
	e		Contracts of sales agreements with customers and others for sale of merchandise and appliances.	6 years after sales agreement is discharged.

Item No.		Description	Minimum Retention Period I
	f	Contracts for lease of equipment to customers, including receipts for same.	6 years after expiration or cancellation
	g	Applications and contracts for line extensions and records pertaining to such contracts:	
		(1) Covered by refundable deposits or guarantees or revenue.	6 years after refund or completion.
		(2) For which donations or contributions are made by customers or others.	Until receipt of Commission audit report or 6 years after the auditor's exit conference, whichever occurs first.
46		Rate schedules:	
	a	General files of published rate sheets and schedules of utility service. (Including schedules suspended or superseded.)	Life of Corporation
	b	Reserved	
47		Customers' guarantee deposits:	
	a	Customers' deposit ledgers or card records.	6 years after refund
	b	Customers' deposit certificate books.	6 years after refund
	c	Receipts for customers' deposits refunded.	6 years after refund
	d	Receipts for interest on customers' deposits.	6 years after refund
48		Meter reading sheets and records:	
	a	Superseded meter reading sheets.	6 years or next test, whichever is longer
	b	Meter reread sheets (special readings to check high or low consumption).	6 years
	c	Customers' reading cards.	2 years or as may be necessary to comply with service rules regarding refunds on fast meters

Item No.		Description	Minimum Retention Period
	d	Connection and disconnection orders.	2 years or as may be necessary to comply with service rules regarding refunds on fast meters
	e	Reserved	
	f	Reserved	
49		Maximum demand, pressure, temperature, and specific gravity charts and demand meter record cards:	2 years
50		Miscellaneous billing data:	
	a	Reserved	
	b	Service and inspection orders from which customers are charged and sundry charge advice notices.	2 years
	c	Authorizations for charges under utility service contracts.	1 year after expiration of contract.
	d	Reserved	
51		Revenue summaries: Summaries of monthly operating revenues according to classes of service, including summaries of forfeited discounts and penalties:	5 years
52		Customers' ledgers and other records used in lieu thereof:	
	a	Customers' ledgers.	6 years or until no longer needed to adjust customers' bills or from date of one meter test to the next, whichever is longer.
	b	Records used in lieu of customers' ledgers, such as bill summaries, registers, bills stubs, etc.	6 years or until no longer needed to adjust customers' bills or from date of one meter test to the next, whichever is longer.
	c	Copies of large bills:	

Item No.		Description	Minimum Retention Period
	(1)	If details are transcribed to ledgers covered by Item a above.	Destroy at company's option.
	(2)	If details are not transcribed to ledgers.	6 years or until no longer needed to adjust customers' bills or from date of one meter test to the next, whichever is longer.
	d	Trial balances of ledgers referred to above.	1 year
	e	Reserved	
	f	Reserved	
	g	Reserved	
53		Merchandise sales-accounting and collecting:	
	a	Merchandise sales tickets (duplicates) and charge slips for work done.	2 years
	b	Merchandise registers and summaries of sales.	3 years
	c	Merchandise ledgers and installment records.	1 year after completion of payments.
	d	Merchandise sales returns and adjustment tickets.	Destroy at company's option after annual audit and 1 year after account is settled
	e	Cashiers' stubs for merchandise collections.	1 year
	f	Cashiers' periodic reports and statements of collection on merchandise accounts.	2 years
	g	Reserved	
	h	Reports relating to status of merchandise accounts receivable.	2 years
	i	Job orders and supporting details of charges to customers for work done.	3 years
	j	Indexes and trial balances of merchandise ledgers.	2 years
54		Collection reports and records:	
	a	Periodic reports, lists, and summaries of collections of operating revenues by collectors, agents, and local or divisional or district offices.	2 years

Item No.		Description	Minimum Retention Period I
	b	Bill stubs, copies of bills, collection slips, and other records pertaining to collections, summarized or detailed in daily or periodic cash reports.	2 years
	c	Memorandum records of remittances from local or branch offices.	Destroy at company's option
55		Customers' account adjustments:	
	a	Records pertaining to adjustments of customers' accounts for overcharges, undercharges, and other errors, results of which have been transcribed to other records.	2 years
	b	Records of high-bill complaints whether or not resulting in adjustments to customers' accounts.	2 years
56		Uncollectible accounts and customers' credit records:	
	a	Records of rating, credit classifications, and investigations of customers.	Destroy at company's option
	b	Ledger accounts and supporting details of customers' accounts considered to be uncollectible.	3 years after period legally collectible
	c	Reports and statements showing age and status of customers' accounts.	2 years
	d	Data on unpaid final bills.	3 years after period legally collectible
	e	Authorizations for writing off customers' accounts.	3 years after period legally collectible
Tax			
57		Tax records:	
	a	Copies of tax returns and schedules filed with taxing authorities, supporting work papers, records of appeals, tax bills and receipts for payment. (See item 15b for vouchers evidencing disbursements):	
		(1) Federal and state income tax returns.	5 years after settlement
		(2) Property tax returns.	2 years after final tax liability is determined
		(3) Sales and use taxes.	2 years
		(4) Other taxes.	2 years after final tax liability is determined

Item No.			Description	Minimum Retention Period ¹
		(5)	Agreements between associate companies as to allocation of consolidated income taxes.	5 years after settlement
		(6)	Schedule of allocation of consolidating federal income taxes among associate companies.	5 years after settlement
		(7)	Records of annual determinations of deferred taxes on income, annual determinations of accounting adjustments for "reserve deferrals" of deferred taxes on income together with basic computations and records of annual plant additions and retirements and adjustments on which deferred tax accounting entries are based. (For the purposes of these regulations, "deferred taxes" and "deferred tax accounting" embrace provision for "future taxes on income," "prepaid taxes on income," or any other accounting procedure which attributes a tax on income to a year or years other than that of the specific year's tax return determining the tax liability.)	6 years after absorption of deferred credits.
	b		Reserved	
	c		Filings with taxing authorities to qualify employee benefit plans.	5 years after settlement of federal return or discontinuance of plan, whichever is later
	d		Information returns and reports to taxing authorities.	3 years after final tax liability and audit settlement is determined
	e		Restatements of schedules of taxes paid after giving effect to refunds and additional assessments.	6 years
Treasury				
58			Statements of funds and deposits:	
	a		Statements of periodic deposits with fund administrators or trustees.	Retain records for the most recent 3 years
	b		Statements of periodic withdrawals from fund.	Retain records for the most recent 3 years
	c		Statements prepared by fund administrator or trustees of fund activity including:	
		(1)	Beginning of the year fund balance.	Retain records until the fund is dissolved or terminated.

Item No.	Description	Minimum Retention Period
(2)	Deposits with the fund.	Retain records until the fund is dissolved or terminated.
(3)	Acquisition of investments held by the fund.	Retain records until the fund is dissolved or terminated.
(4)	Disposition of investments held by the fund.	Retain records until the fund is dissolved or terminated.
(5)	Disbursements from the fund, including party to whom disbursement was made.	Retain records until the fund is dissolved or terminated.
(6)	End of year fund balance.	Retain records until the fund is dissolved or terminated.
d	Requisitions and receipts for funds furnished managers, agents, and others.	Destroy at company's option after funds have been returned or accounted for.
e	Records of fidelity bonds of employees and others responsible for funds of the utility.	Destroy at company's option after liability of bonding company has expired.
f	Reports and estimates of funds required for general and special purposes.	Destroy at company's option
59	Records of deposits with banks and others:	
a	Copies of bank deposit slips.	2 years
b	Advice of deposits made when information has been transcribed on other records which are retained.	2 years
c	Statements from depository showing the details of funds received, disbursed, transferred, and balances on deposit.	2 years
d	Bank reconciliation papers.	2 years
e	Statements from banks of interest credits.	2 years
f	Check stubs, registers, or other records of checks issued.	6 years
60	Records of receipts and disbursements:	

Item No.			Description	Minimum Retention Period ¹
	a		Daily or other periodic statements of receipts or disbursements of funds.	2 years
	b		Periodic statements of outstanding vouchers, checks, drafts, etc. issued and not presented.	2 years
	c		Reports of associates showing working fund transactions and summaries thereof.	2 years
	d		Reports of revenue collections by field cashiers, pay stations, etc.	2 years
Miscellaneous				
61			Statistics:	
	a		Financial, operating and statistical reports regularly prepared in the course of business for internal administrative or operating purposes (and not used as the basis for entries to accounts of the companies concerned) to show the results of operations and the financial condition of the utility:	
		(1)	Annual reports.	6 years
		(2)	Quarterly, monthly, or other period.	2 years
	b		All other statistical reports (not covered elsewhere in these regulations) prepared for internal administrative or operating purposes only and not used as the basis for entries to the accounts of the company.	Destroy at company's option.
62			Budgets and other forecasts. (Prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisitions or disposals of properties or investments by the company and its associate companies, including revisions of such estimates and memoranda showing reasons for revisions; also records showing comparison of actual income and receipts and expenditures with estimates:	3 years
63			Correspondence (Change to Miscellaneous Correspondence):	
	a		Correspondence and indexes thereto relating to offices covered by other items of these regulations.	Destroy at company's option
	b		Stenographers' notebooks and dictaphone or other mechanical device records.	Destroy at company's option
	c		Mailing lists of prospects for appliance sales, securities, etc.	Destroy at company's option

Item No.		Description	Minimum Retention Period ¹
64		Records of predecessor companies:	Retain consistent with the requirements for the same types of records for the utility.
65		Reports to federal and state regulatory commissions:	
	a	Annual financial, operating and statistical reports.	15 years
	b	Monthly and quarterly reports of operating revenues, expenses, and statistics.	2 years after date of report
	c	Special or periodic reports on the following subjects:	
	(1)	Transactions with associated companies.	5 years
	(2)	Budgets of expenditures.	3 years
	(3)	Accidents.	5 years
	(4)	Employees and wages.	6 years
	(5)	Loans to officers and employees.	5 years after fully paid
	(6)	Issues of securities.	25 years or until all securities covered are retired, whichever is shorter.
	(7)	Purchases and sales, utility properties.	Life of Corporation
	(8)	Plant changes - units added and retired.	Life of Corporation
	(9)	Service interruptions.	6 years
	d	Cost of service reports filed under Section 133 of the Public Utility Regulatory Policies Act (PURPA).	5 years
	e	Hazardous waste reports.	Life of Corporation
	f	Reports filed under federal and state holding company regulations.	6 years
66		Other miscellaneous records:	
	a	Copies or records of advertisements by the company in behalf of itself or any associate company in newspapers, magazines and other publications.	3 years
	b	RESERVED	
	c	RESERVED	

Item No.	Description	Minimum Retention Period 1
	Destruction of records or other notifications.	6 years
