

Regulatory Analysis Form		This space for use by IRRC
(1) Agency Pennsylvania Public Utility Commission		RECEIVED 2003 SEP 19 AM 10:48 INDEPENDENT REGULATORY REVIEW COMMISSION IRRC Number: 2339
(2) I.D. Number (Governors Office Use) L-00030160/57-227		
(3) Short Title Proposed Amendment of Record Retention Regulations for Electric and Gas Utilities		
(4) PA Code Cite 52 Pa. Code §§57.45, 59.45.	(5) Agency Contacts & Telephone Numbers Primary Contact: Matthew Totino (717) 787-3126, Law Bureau (Legal) Secondary Contact: John T. Crawford (717) 772-0302, Bureau of Audits (Technical)	
(6) Type of Rulemaking (check one) <input type="checkbox"/> Proposed Rulemaking <input checked="" type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted	(7) Is a 120-Day Emergency Certification Attached? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language. Section 57.45 of the Commission's regulations establishes record retention requirements for electric utilities in Pennsylvania, and Section 59.45 establishes record retention requirements for gas utilities in Pennsylvania. These regulations require the public utilities to keep their records in conformity with the most recent publication of "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities," which is published by the National Association of Regulatory Utility Commissioners (NARUC). See 52 Pa. Code §§57.45, 59.45. NARUC is a non-profit organization comprised of governmental agencies that regulate the activities of telecommunications, energy, and water utilities. The NARUC record retention guidelines were last revised in May of 1985. The changes to the Commission's record retention regulations for electric and gas utilities will lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to adequately regulate those utilities. Moreover, the changes will facilitate a mandatory, uniform system of recordkeeping for the relevant utilities.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. 66 Pa. C.S. §§501, 1501, and 1701, et seq.		

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(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No. There are no deadlines for action.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

Consistent with the report and recommendation of the working group established to review the Commission's record retention regulations for electric and gas utilities, the record retention changes will lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to meet its statutory responsibility to ensure that all public utilities in the Commonwealth furnish and maintain adequate, efficient, safe, and reasonable service and facilities under 66 Pa. C.S. §1501. Moreover, the changes will facilitate a mandatory, uniform system of recordkeeping for the relevant utilities, consistent with Chapter 17 of the Public Utility Code, 66 Pa. C.S. §§1701, et seq.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

None.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

The electric and gas utilities will be the primary beneficiaries as the proposed changes will lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to adequately regulate those utilities. Moreover, the changes will facilitate a mandatory, uniform system of recordkeeping for the relevant utilities.

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(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No person or entity will be adversely affected by the proposed changes to the record retention regulations at 52 Pa. Code §§57.45, 59.45.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All electric and gas utilities doing business in Pennsylvania.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

By Order dated April 16, 2002, the Commission directed its Law Bureau, in conjunction with the Bureau of Fixed Utility Services (FUS) and the Bureau of Audits, to convene a working group to review the Commission's current record retention regulations for electric and gas utilities at 52 Pa. Code §§57.45 and 59.45. After completing its review, the working group was directed to report its recommendation to the Commission.

The working group met on numerous occasions from July 2002 through January 2003 and was able to reach a consensus to amend the Commission's current record retention regulations for electric and gas utilities, consistent with its January 30, 2003 report and recommendation. The report and recommendation was adopted by the Commission's Proposed Rulemaking Order entered on March 6, 2003 at Docket Nos. P-00011902 & 11903 and L-00030160. The working group was led by the Bureau of Audits, Law Bureau, and FUS with considerable participation from the Office of Consumer Advocate, the Energy Association of Pennsylvania, on behalf of Electric Distribution Companies and Natural Gas Distribution Companies doing business in Pennsylvania, and various representatives from the relevant utilities. The Commission's Office of Trial Staff was also consulted and did not oppose the working group consensus recommendation. The Office of Small Business Advocate was notified of the working group and elected not to participate. By Order entered on August 14, 2003 at Docket No. L-00030160, the Commission entered a Final Rulemaking Order to amend the record retention regulations for electric and gas utilities in Pennsylvania.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The changes to 52 Pa. Code §§57.45 and 59.45 will reduce the record retention burden and associated costs for the relevant utilities. The exact reduction of costs is not measurable at this time.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

Not applicable.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

Not applicable.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Not measurable at this time.

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(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

As previously discussed, the changes to the Commission's record retention regulations for electric and gas utilities will lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to adequately regulate those utilities. Moreover, the changes will facilitate a mandatory, uniform system of recordkeeping for the relevant utilities.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

Not applicable.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

An alternative regulatory scheme was the new record retention rules of the Federal Energy Regulatory Commission (FERC), effective January 1, 2001. See 18 C.F.R. §§125, 225, 356. However, the FERC rules eliminate various record retention requirements that remain necessary to adequately regulate gas and electric utilities in Pennsylvania. Additionally, for those record retention requirements conflicting with the NARUC requirements, the FERC rules, in most cases, call for an even greater reduction in the retention periods than those proposed by the working group and adopted by the Commission. The concern was that the shorter FERC retention periods would impair the Commission's ability to adequately regulate electric and gas utilities.

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(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

As noted above, the changes to the record retention regulations at 52 Pa. Code §§57.45 and 59.45 would result in more stringent requirements than the federal FERC rules. As noted by the working group and affirmed by the Commission, the changes as proposed by the working group and adopted by the Commission will lessen the record retention burden and associated costs for the relevant utilities but without compromising the Commission's ability to adequately regulate those utilities. The discrepancy between the FERC retention rules and the Commission's proposed amended record retention regulations can also be explained, in part, by the differing regulatory roles of FERC versus a state Commission. For example, the Commission's exclusive jurisdiction over rate cases for an Electric Distribution Company under Chapter 13 of the Public Utility Code may necessitate a longer retention period for certain records than would be required by FERC, which does not have such jurisdiction over rates.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The Commission has not conducted a direct comparison of its record retention requirements for electric and gas utilities to those in other states. However, based on limited feedback from other states through NARUC, Pennsylvania's amended record retention requirements appear to be in line with the requirements in other states; some states have more stringent requirements, while others have less stringent requirements. In any event, the changes to 52 Pa. Code §§57.45 and 59.45 would not put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

The regulation change will reduce certain record retention requirements for electric and gas utilities in Pennsylvania. For the specific changes to the record retention regulations, see Annex A attached to the Final Rulemaking Order.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

Not applicable.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulation will become effective upon publication in the Pennsylvania Bulletin following review by the legislative standing committees and the Independent Regulatory Review Commission.

(31) Provide the schedule for continual review of the regulation.

After taking effect, the regulations will be reviewed on an on-going basis and as warranted.

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU
(Pursuant to Commonwealth Documents Law)

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INDEPENDENT REGULATORY
REVIEW COMMISSION

2339

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<p>Copy below is hereby approved as to form and legality. Attorney General.</p> <p>BY _____ (DEPUTY ATTORNEY GENERAL)</p> <p>_____ DATE OF APPROVAL</p> <p><input type="checkbox"/> Check if applicable Copy not approved. Objections attached</p>	<p>Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:</p> <p><u>Pennsylvania Public Utility Commission</u> (AGENCY)</p> <p>DOCUMENT/FISCAL NOTE NO. <u>L-00030160/57-227</u></p> <p>DATE OF ADOPTION <u>August 7, 2003</u></p> <p>BY <u>James J. McNulty</u> James J. McNulty</p> <p>TITLE (SECRETARY)</p>	<p>Copy below is hereby approved as to form and legality. Executive or independent Agencies.</p> <p>BY <u>Bohdan R. Pankiw</u> Bohdan R. Pankiw Chief Counsel</p> <p><u>8-7-03</u> DATE OF APPROVAL</p> <p><input type="checkbox"/> Check if applicable. No Attorney General approval or objection within 30 days after submission.</p>
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L-00030160/57-227
Final Rulemaking
Amendment of 52 Pa. Code §57.45 (Electric Service: Preservation of Records)
And 52 Pa. Code §59.45 (Gas Service: Preservation of Records)
52 Pa. Code, Chapters 57 and 59

The Pennsylvania Public Utility Commission on August 7, 2003, adopted a final rulemaking order which amends existing regulations regarding record retention requirements for jurisdictional electric and gas utilities by eliminating unnecessary and burdensome reporting requirements when possible. The contact persons are John Crawford, Audits (772-0302), Robert Wilson, Bureau of Fixed Utility Services (783-6162) and Matthew Totino, Law Bureau (787-3126).

EXECUTIVE SUMMARY

L-00030160/57-227

Final Rulemaking

Re: Electric and Gas Utility Record Retention Regulations
at 52 Pa. Code §§57.45 and 59.45

Section 57.45 of the Commission's regulations establishes record retention requirements for electric utilities in Pennsylvania, and Section 59.45 establishes record retention requirements for gas utilities in Pennsylvania. These regulations require the public utilities to keep their records in conformity with the most recent publication of "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities," which is published by the National Association of Regulatory Utility Commissioners (NARUC).¹ See 52 Pa. Code §§57.45, 59.45. The NARUC regulations were last revised in 1985.

By Order entered on March 6, 2003 at Docket No. L-00030160, the Commission adopted a Proposed Rulemaking Order to amend 52 Pa. Code §§57.45 and 59.45, consistent with the report and recommendation of the working group established to review the Commission's current record retention requirements for electric and gas utilities. The Commission agreed that the record retention changes as proposed by the working group would lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to adequately regulate those same utilities. See 66 Pa. C.S. §1501. The Commission added that the proposed changes would facilitate a mandatory, uniform system of recordkeeping for the relevant utilities, consistent with Chapter 17 of the Public Utility Code, 66 Pa. C.S. §§1701, *et seq.*

¹ The National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization comprised of governmental agencies that regulate the activities of telecommunications, energy, and water utilities. NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation.

On April 26, 2003, the Commission's order initiating the proposed rulemaking was published in the *Pennsylvania Bulletin*, 33 Pa.B. 2064. On or around May 27, 2003, the Commission received comments from four parties: the Energy Association, the Peoples Natural Gas Company d/b/a Dominion Peoples, PPL Electric Utilities Corporation, and the Office of Consumer Advocate. All parties endorsed the proposed amendments to the Commission's record retention regulations for electric and gas utilities at 52 Pa. Code §§57.45 and 59.45 and supported adoption of the amended regulations.

On June 2, 2003, the Independent Regulatory Review Commission (IRRC) issued a letter specifying that it had no objections, comments, or recommendations to offer on the Commission's proposal to amend the record retention regulations at 52 Pa. Code §§57.45 and 59.45. The letter also noted that the proposed amendments would be deemed approved, if the Commission submits a final-form regulation without revisions and the legislative committees do not take any action. By Order entered on August 14, 2003, the Commission adopted a Final Rulemaking Order to amend 52 Pa. Code §§57.45 and 59.45, consistent with the letter from IRRC.

The contact persons for this rulemaking are John T. Crawford, Bureau of Audits (technical), (717) 772-0302, Robert Wilson, FUS (technical), (717) 783-6162, and Matthew Totino, Law Bureau (legal), (717) 787-3126.

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg PA 17105-3265**

Public Meeting held August 7, 2003

Commissioners Present:

Terrance J. Fitzpatrick, Chairman
Robert K. Bloom, Vice-Chairman
Aaron Wilson, Jr.
Glen R. Thomas
Kim Pizzingrilli

Petition of the Energy Association of Pennsylvania for Waiver of 52 Pa. Code §57.45 (Electric Service: Preservation of Records) and 52 Pa. Code §59.45 (Gas Service: Preservation of Records) Docket No. P-00011902

Petition of the Energy Association of Pennsylvania for Amendment of 52 Pa. Code §57.45 (Electric Service: Preservation of Records) and 52 Pa. Code §59.45 (Gas Service: Preservation of Records) Docket No. P-00011903

Rulemaking Re: Amendment of 52 Pa. Code §57.45 (Electric Service: Preservation of Records) and 52 Pa. Code §59.45 (Gas Service: Preservation of Records) Docket No. L-00030160

FINAL RULEMAKING ORDER

BY THE COMMISSION:

Background

On June 18, 2001, the Energy Association of Pennsylvania (Energy Association) filed two petitions at the above P- dockets requesting a waiver and amendment of our regulations at 52 Pa. Code §§57.45 and 59.45 dealing with record retention. Section 57.45 establishes record retention requirements for Electric Distribution Companies (EDCs), while Section 59.45 applies to Natural Gas Distribution Companies (NGDCs).

Both regulations require public utilities to keep their records in conformity with the most recent publication of “Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities,” which is published by the National Association of Regulatory Utility Commissioners (NARUC).¹ See 52 Pa. Code §§57.45, 59.45. The most recent NARUC requirements were revised in May of 1985.

In support of the petitions, the Energy Association cited the new record retention rules of the Federal Energy Regulatory Commission (FERC), effective January 1, 2001. 18 C.F.R. §§125, 225, 356. These rules updated, reduced, and clarified record retention requirements for jurisdictional public utilities and licensees, natural gas companies and oil pipeline companies by revising the general instructions, shortening various record retention periods, increasing retention periods for a few categories of records and removing all but one retention reserve item. *Preservation of Records of Public Utilities and Licensees, Natural Gas Companies and Oil Pipeline Companies*, 65 Fed. Reg. 48148 (2000).

By Order entered on April 16, 2002 at Docket Nos. P-00011902 and P-00011903, the Commission denied the petitions filed by the Energy Association requesting a waiver and amendment of our regulations at 52 Pa. Code §§57.45 and 59.45. Although the Commission denied the petitions, the Commission specifically recognized the value of eliminating unnecessary and burdensome reporting requirements, whenever possible. At the same time, we emphasized that the elimination or amendment of existing

¹ The National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization comprised of governmental agencies that regulate the activities of telecommunications, energy, and water utilities. NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation.

Commission regulations must not impair our ability to meet our statutory responsibility to ensure that all public utilities in the Commonwealth furnish and maintain adequate, efficient, safe, and reasonable service and facilities. See 66 Pa. C.S. §1501.

With these dual interests in mind, the Commission directed the Law Bureau, in conjunction with the Bureau of Fixed Utility Services (FUS) and the Bureau of Audits, to convene a working group to review the Commission's current record retention regulations for EDCs and NGDCs. After completing its review, the working group was directed to report its recommendation to the Commission.

By Order entered on March 6, 2003 at the above dockets, the Commission adopted the consensus report of the working group dated January 30, 2003 to amend the Commission's record retention regulations for electric and gas utilities at 52 Pa. Code §§57.45 and 59.45.² To effectuate the recommendations of the working group, we initiated a proposed rulemaking to amend 52 Pa. Code §§57.45 and 59.45.³

On April 26, 2003, the Commission's order initiating the proposed rulemaking was published in the *Pennsylvania Bulletin*, 33 Pa.B. 2064. On or around May 27, 2003, the Commission received comments from four parties: the Energy Association, the Peoples Natural Gas Company d/b/a Dominion Peoples, PPL Electric Utilities Corporation, and the Office of Consumer Advocate. All parties endorsed the proposed amendments to the Commission's record retention regulations for electric and gas utilities at 52 Pa. Code §§57.45 and 59.45 and supported adoption of the amended regulations.

² The Commission's Office of Trial staff was also consulted and does not oppose the proposed changes.

³ In addition to the proposed amendments of the working group, the Commission also proposes several additional technical changes so that the language used in both sections is consistent and uniform.

On June 2, 2003, the Independent Regulatory Review Commission (IRRC) issued a letter specifying that it had no objections, comments, or recommendations to offer on the Commission's proposal to amend the record retention regulations at 52 Pa. Code §§57.45 and 59.45. The letter also noted that the proposed amendments would be deemed approved, if the Commission submits a final-form regulation without revisions and the legislative committees do not take any action.

Discussion

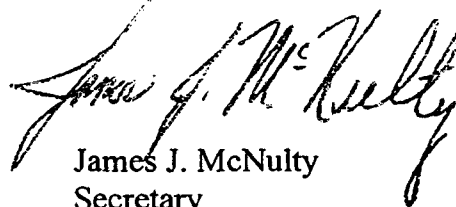
As previously stated in our proposed rulemaking order, we agree that the proposed record retention changes will lessen the record retention burden and associated costs for the relevant utilities without compromising the Commission's ability to meet its statutory responsibility to ensure that all public utilities in the Commonwealth furnish and maintain adequate, efficient, safe, and reasonable service and facilities. *See* 66 Pa. C.S. §1501. Moreover, these changes will facilitate a mandatory, uniform system of recordkeeping for the relevant utilities, consistent with Chapter 17 of the Public Utility Code, 66 Pa. C.S. §§1701, *et seq.* Therefore, consistent with the comments of IRRC and the other parties that filed comments in this matter, the Commission has made no revisions, other than the grammatical/stylistic changes made by the Legislative Reference Bureau, to these final-form regulations.

Accordingly, under sections 501 and 1501 of the Public Utility Code (66 Pa. C.S. §§501 and 1501), Chapter 17 of the Public Utility Code (66 Pa. C.S. §§1701 *et seq.*), sections 201 and 202 of the Commonwealth Documents Law (45 P.S. §§1201-1202) and regulations promulgated there under at 1 Pa. Code §§7.1, 7.2, and 7.5, section 204(b) of the Commonwealth Attorneys Act (71 P.S. §732.204(b)), section 745.5 of the Regulatory Review Act (71 P.S. §745.5), and section 612 of the Administrative Code (71 P.S. §232), we find that the amendments to 52 Pa. Code §§57.45 and 59.45 should be approved as set forth in **Annex A** attached hereto; **THEREFORE,**

IT IS ORDERED:

1. That the amendments to the Commission's regulations at 52 Pa. Code §§57.45 and 59.45 are hereby adopted as set forth in Annex A.
2. That the Secretary shall submit this Order and Annex A for review and approval to the Independent Regulatory Review Commission and Legislative Standing Committees in both houses of the General Assembly;
3. That the Secretary shall submit this Order and Annex A to the Office of Attorney General for review as to form and legality and to the Governor's Budget Office for review of fiscal impact.
4. That the Secretary shall certify this Order and Annex A, and deposit them with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.
5. That the amendments to 52 Pa. Code §§57.45 and 59.45 embodied in Annex A shall become effective upon publication in the *Pennsylvania Bulletin*.
6. That a copy of this Order and Annex A shall be served upon the Energy Association of Pennsylvania, all jurisdictional electric and natural gas utilities, the Office of Trial Staff, the Office of Consumer Advocate, and the Office of Small Business Advocate.

BY THE COMMISSION



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: August 7, 2003

ORDER ENTERED: AUG 14 2003

ANNEX A
TITLE 52 PUBLIC UTILITIES
PART I. PUBLIC UTILITY COMMISSION
SUBPART C. FIXED SERVICE UTILITIES
CHAPTER 57. ELECTRIC SERVICE
Subchapter D. ACCOUNTS AND RECORDS

§ 57.45. Preservation of records.

[A public] Each electric utility shall keep and preserve its records in conformity with the provisions applicable to it in the most recent publication of the National Association of Regulatory Utility Commissioners, entitled "Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities[.]" except as follows when the following retention periods apply:

	<u>Item No. and Description</u>	<u>Retention Period</u>
6. (a)	<u>Minute books of stockholders', directors', and directors' committee meetings.</u>	<u>25 years.</u>
6. (b)(4)	<u>Licenses (including amendments thereof) granted by Federal or State authorities for construction and operation of utility plant.</u>	<u>5 years after plant is retired or expiration of license, whichever is shorter.</u>
8. (a)	<u>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).</u>	<u>5 years after date of report or Commission audit, whichever comes last.</u>
8. (b)	<u>Internal audit reports and work papers.</u>	<u>5 years after date of report or Commission audit, whichever comes last.</u>
10. (a)(1)	<u>General ledgers.</u>	<u>20 years.</u>
10. (a)(2)	<u>Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.</u>	<u>20 years.</u>
10. (b)(1)	<u>Indexes to general ledgers.</u>	<u>20 years.</u>
10. (b)(2)	<u>Indexes to subsidiary ledgers except ledgers provided for elsewhere.</u>	<u>20 years.</u>
11. (a)	<u>Journals, general and subsidiary.</u>	<u>20 years.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
<u>13. (a) Cash books, general and subsidiary or auxiliary books.</u>	<u>5 years after close of fiscal year.</u>
<u>14. (a) Voucher registers or similar records when used as a source document.</u>	<u>5 years.</u>
<u>15. (a) Paid and cancelled vouchers (1 copy analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers).</u>	<u>5 years.</u>
<u>15. (b) Original bills and invoices for materials, services, etc., paid by vouchers.</u>	<u>5 years.</u>
<u>15. (c) Paid checks and receipts for payments by voucher or otherwise.</u>	<u>5 years.</u>
<u>15. (d) Authorization for the payment of specific vouchers.</u>	<u>5 years.</u>
<u>22.4 (e) Pumping output logs with supporting data.</u>	<u>3 years.</u>
<u>26. (a) Authorization for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.</u>	<u>5 years.</u>
<u>26. (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.</u>	<u>5 years.</u>
<u>26. (c) Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).</u>	<u>5 years.</u>
<u>30. (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the costs of utility plant by classes.</u>	<u>30 years.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
31. (a) <u>Construction work in progress ledgers.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
31. (b) <u>Work order sheets to which are posted in summary form or in detail the entries for labor, materials and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
31. (f) <u>Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours, etc., in connection with completed construction project.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 5 years after plant is retired.</u>
33. <u>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.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
41. (a) <u>Ledger sheets and card records of materials and supplies received, issued and on hand.</u>	<u>6 years.</u>
45. (a) <u>Applications for utility service for which contracts have been executed.</u>	<u>4 years.</u>
45. (g) <u>Applications and contracts for extensions covered by refundable deposits or guarantees of revenue, also records pertaining to such contracts.</u>	<u>4 years after entire amount is refunded.</u>
45. (h) <u>Applications and contracts for extensions for which donations or contributions are made by customers or others.</u>	<u>4 years after expiration.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
<u>46. (a) General files of published rate sheets and schedules of utility service (including schedules suspended or superseded).</u>	<u>6 years.</u>
<u>51. (a) Summaries of monthly operating revenues according to classes of service for entire utility.</u>	<u>5 years.</u>
<u>51. (b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions (including summaries of forfeited discounts and penalties).</u>	<u>5 years.</u>
<u>53. (e) Cashiers' stubs for merchandise collection.</u>	<u>1 year.</u>
<u>57. (a)(1) Federal income tax returns.</u>	<u>5 years after settlement.</u>
<u>57. (a)(5) Agreements between associate companies as to allocation of consolidated income taxes.</u>	<u>5 years after settlement.</u>
<u>57. (c) Filings with taxing authorities to qualify employee benefit plans.</u>	<u>5 years after settlement of federal return or discontinuance of plan, whichever is later.</u>
<u>59. (f) Check stubs, registers, or other records of checks issued.</u>	<u>5 years.</u>
<u>59. (g) Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks.</u>	<u>5 years or destroy at option after check is recovered.</u>
<u>61. (a) Annual 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.</u>	<u>5 years after date of report.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
65. (a) <u>Annual financial, operating and statistical reports.</u>	<u>15 years.</u>
65. (c)(1) <u>Transaction with associated companies.</u>	<u>5 years.</u>
65. (c)(7) <u>Purchases and sales, utility properties.</u>	<u>10 years.</u>
65. (c)(9) <u>Service interruptions.</u>	<u>5 years.</u>
66. (a) <u>Copies of advertisements by the company on behalf of itself or any associate company in newspapers, magazines and other publications including records thereof. (Excluding advertising of product, appliances, employment opportunities, services, territory, routine notices and invitations for bids for securities, all of which may be destroyed at option).</u>	<u>3 years.</u>

* * * * *

TITLE 52 PUBLIC UTILITIES
PART I. PUBLIC UTILITY COMMISSION
SUBPART C. FIXED SERVICE UTILITIES
CHAPTER 59. GAS SERVICE
ACCOUNTS AND RECORDS

§ 59.45. Preservation of records.

Each gas utility shall keep and preserve its records in conformity with the [provision] provisions applicable to it in the [current] most recent publication of the National Association of Regulatory Utility Commissioners, [1102 ICC Bldg., Post Office Box 684, Washington, D.C. 20044,] entitled "Regulations to Govern the Preservation of Records of Electric, Gas, and Water Utilities[.]," except as follows when the following retention periods apply:

	<u>Item No. and Description</u>	<u>Retention Period</u>
6. (a)	<u>Minute books of stockholders', directors', and directors' committee meetings.</u>	<u>25 years.</u>
6. (b)(4)	<u>Licenses (including amendments thereof) granted by Federal or State authorities for construction and operation of utility plant.</u>	<u>5 years after plant is retired or expiration of license, whichever is shorter.</u>
8. (a)	<u>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).</u>	<u>5 years after date of report or Commission audit, whichever comes last.</u>
8. (b)	<u>Internal audit reports and work papers.</u>	<u>5 years after date of report or Commission audit, whichever comes last.</u>
10. (a)(1)	<u>General ledgers.</u>	<u>20 years.</u>
10. (a)(2)	<u>Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.</u>	<u>20 years.</u>
10. (b)(1)	<u>Indexes to general ledgers.</u>	<u>20 years.</u>
10. (b)(2)	<u>Indexes to subsidiary ledgers except ledgers provided for elsewhere.</u>	<u>20 years.</u>
11. (a)	<u>Journals, general and subsidiary.</u>	<u>20 years.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
<u>13. (a) Cash books, general and subsidiary or auxiliary books.</u>	<u>5 years after close of fiscal year.</u>
<u>14. (a) Voucher registers or similar records when used as a source document.</u>	<u>5 years.</u>
<u>15. (a) Paid and cancelled vouchers (1 copy analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers).</u>	<u>5 years.</u>
<u>15. (b) Original bills and invoices for materials, services, etc., paid by vouchers.</u>	<u>5 years.</u>
<u>15. (c) Paid checks and receipts for payments by voucher or otherwise.</u>	<u>5 years.</u>
<u>15. (d) Authorization for the payment of specific vouchers.</u>	<u>5 years.</u>
<u>22.4 (e) Pumping output logs with supporting data.</u>	<u>3 years.</u>
<u>26. (a) Authorization for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.</u>	<u>5 years.</u>
<u>26. (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.</u>	<u>5 years.</u>
<u>26. (c) Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).</u>	<u>5 years.</u>
<u>30. (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the costs of utility plant by classes.</u>	<u>30 years.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
31. (a) <u>Construction work in progress ledgers.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
31. (b) <u>Work order sheets to which are posted in summary form or in detail the entries for labor, materials and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
31. (f) <u>Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours, etc., in connection with completed construction project.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 5 years after plant is retired.</u>
33. <u>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.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise 6 years after plant is retired.</u>
41. (a) <u>Ledger sheets and card records of materials and supplies received, issued and on hand.</u>	<u>6 years.</u>
45. (a) <u>Applications for utility service for which contracts have been executed.</u>	<u>4 years.</u>
45. (g) <u>Applications and contracts for extensions covered by refundable deposits or guarantees of revenue, also records pertaining to such contracts.</u>	<u>4 years after entire amount is refunded.</u>
45. (h) <u>Applications and contracts for extensions for which donations or contributions are made by customers or others.</u>	<u>4 years after expiration.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
<u>46. (a) General files of published rate sheets and schedules of utility service (including schedules suspended or superseded).</u>	<u>6 years.</u>
<u>51. (a) Summaries of monthly operating revenues according to classes of service for entire utility.</u>	<u>5 years.</u>
<u>51. (b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions (including summaries of forfeited discounts and penalties).</u>	<u>5 years.</u>
<u>53. (e) Cashiers' stubs for merchandise collection.</u>	<u>1 year.</u>
<u>57. (a)(1) Federal income tax returns.</u>	<u>5 years after settlement.</u>
<u>57. (a)(5) Agreements between associate companies as to allocation of consolidated income taxes.</u>	<u>5 years after settlement.</u>
<u>57. (c) Filings with taxing authorities to qualify employee benefit plans.</u>	<u>5 years after settlement of federal return or discontinuance of plan, whichever is later.</u>
<u>59. (f) Check stubs, registers, or other records of checks issued.</u>	<u>5 years.</u>
<u>59. (g) Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks.</u>	<u>5 years or destroy at option after check is recovered.</u>
<u>61. (a) Annual 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.</u>	<u>5 years after date of report.</u>

<u>Item No. and Description</u>	<u>Retention Period</u>
65. (a) <u>Annual financial, operating and statistical reports.</u>	<u>15 years.</u>
65. (c)(1) <u>Transaction with associated companies.</u>	<u>5 years.</u>
65. (c)(7) <u>Purchases and sales, utility properties.</u>	<u>10 years.</u>
65. (c)(9) <u>Service interruptions.</u>	<u>5 years.</u>
66. (a) <u>Copies of advertisements by the company on behalf of itself or any associate company in newspapers, magazines and other publications including records thereof (excluding advertising of product, appliances, employment opportunities, services, territory, routine notices and invitations for bids for securities, all of which may be destroyed at option).</u>	<u>3 years.</u>



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA

TERRANCE J. FITZPATRICK
CHAIRMAN

September 19, 2003

The Honorable John R. McGinley, Jr.
Chairman
Independent Regulatory Review Commission
14th Floor, Harristown II
333 Market Street
Harrisburg, PA 17101

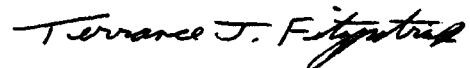
Re: L-00030160/57-227
Final Rulemaking
Amendment of 52 Pa. Code §57.45 (Electric Service:
Preservation of Records) and §59.45 (Gas Service:
Preservation of Records)
52 Pa. Code Chapters 57 and 59

Dear Chairman McGinley:

Enclosed please find one (1) copy of the regulatory documents concerning the above-captioned rulemaking. Under Section 745.5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15) the Commission, on April 16, 2003, submitted a copy of the Notice of Proposed Rulemaking to the House Committee on Consumer Affairs, the Senate Committee on Consumer Protection and Professional Licensure and to the Independent Regulatory Review Commission (IRRC). This notice was published at 33 Pa.B. 2064, on April 26, 2003. In compliance with Section 745.5(b.1) copies of all comments received were provided to your Commission and the Committees.

In preparing this final form rulemaking, the Public Utility Commission has considered all comments received from the Committees, IRRC and the public.

Very truly yours,



Terrance J. Fitzpatrick
Chairman

Enclosures

pc: The Honorable Robert M. Tomlinson
The Honorable Lisa Boscola
The Honorable Raymond Bunt, Jr.
The Honorable Joseph Preston, Jr.
Legislative Affairs Director Perry
Chief Counsel Pankiw
Regulatory Coordinator DelBiondo
Mr. Crawford
Mr. Wilson
Ms. Cooper

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT
TO THE REGULATORY REVIEW ACT

ID Number: L-00030160/57-227

Subject: Amendment of 52 Pa. Code §57.45 (Electric Service:
Preservation of Records) and §59.45 (Gas Service:
Preservation of Records)

Pennsylvania Public Utility Commission

TYPE OF REGULATION

- _____ Proposed Regulation
- _____ Final Regulation with Notice of Proposed Rulemaking
Omitted.
- X Final Regulation
- _____ 120-day Emergency Certification of the Attorney
General
- _____ 120-day Emergency Certification of the Governor

FILING OF REPORT

<u>Date</u>	<u>Signature</u>	<u>Designation</u>
4/19/03 ^{Per Amy}	<u>A. Bassett</u>	<u>HOUSE COMMITTEE</u> Consumer Affairs
9/19/03 ^{Per Megan}	<u>Megan</u>	<u>SENATE COMMITTEE</u> Consumer Protection and Professional Licensure
9/19/03	<u>Elena Pagan</u>	Independent Regulatory Review Commission
_____	_____	Attorney General
_____	_____	Legislative Reference Bureau

INDEPENDENT REGULATORY
REVIEW COMMISSION

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