

# Regulatory Analysis Form

This space for use by IRRC

(1) Agency

Pennsylvania Public Utility Commission

(2) I.D. Number (Governors Office Use)

L-00030160/57-227

IRRC Number: 2339

(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)

- Proposed Rulemaking  
 Final Order Adopting Regulation  
 Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No  
 Yes: By the Attorney General  
 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 proposed 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.

## Regulatory Analysis Form

(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 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 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.

## Regulatory Analysis Form

(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 and is attached thereto. 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.

(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 proposed 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.

### **Regulatory Analysis Form**

**(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.

### Regulatory Analysis Form

(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
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Savings</b>						
<b>COSTS:</b>						
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Costs</b>						
<b>REVENUE LOSSES:</b>						
<b>Regulated Community</b>						
<b>Local Government</b>						
<b>State Government</b>						
<b>Total Revenue Losses</b>						

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

Not measurable at this time.

## Regulatory Analysis Form

(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 proposed 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.

## Regulatory Analysis Form

(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 Commission's proposed changes to its 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 proposed 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 proposed 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.

## **Regulatory Analysis Form**

**(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 Proposed 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.



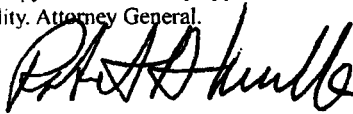
**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU**

**(Pursuant to Commonwealth Documents Law)**

#2339

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General.



BY \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

**MAR 24 2003**

DATE OF APPROVAL

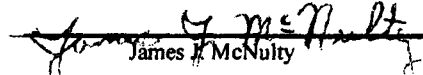
Check if applicable  
Copy not approved. Objections attached

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Pennsylvania Public Utility Commission  
(AGENCY)

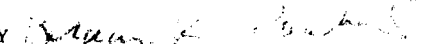
DOCUMENT/FISCAL NOTE NO. L-00030160/57-227

DATE OF ADOPTION March 6, 2003

BY   
James McNulty

TITLE ( SECRETARY)

Copy below is hereby approved as to form and legality. Executive or independent Agencies.

BY   
Bohdan R. Pankiw  
Chief Counsel

3-6-03

DATE OF APPROVAL

Check if applicable. No Attorney General approval or objection within 30 days after submission.

L-00030160/57-227

Proposed 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 March 6, 2003, adopted a proposed rulemaking order which proposes to amend 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

Proposed 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).<sup>1</sup> 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 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. The Commission added that the proposed 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.*

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<sup>1</sup> 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.

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 March 6, 2003

**Commissioners Present:**

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

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

**PROPOSED 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).<sup>1</sup> See 52 Pa. Code §§57.45, 59.45. The most recent NAURC requirements were revised in May of 1985.

In support of the petitions, the Energy Association referenced 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 records 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, the Commission emphasized that the elimination or amendment of

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<sup>1</sup> 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.

existing Commission regulations must not impair its 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.

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 this order, the Commission adopts the consensus report and recommendation of the working group dated January 30, 2003<sup>2</sup> to amend the Commission's record retention regulations at 52 Pa. Code §§57.45 and 59.45.<sup>3</sup> A copy of the report is attached as **Annex B**. The Commission agrees that the record retention changes as proposed by the working group 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. 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.*

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

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

<sup>3</sup> 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.

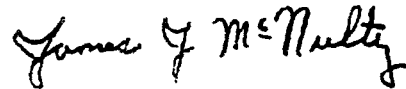
regulations promulgated there under at 1 Pa. Code §§7.1. 7.2, and 7.5, section 204(b) of the Commonwealth Attorneys Act (71 P.S. §732.204(b)), section 745.5 of the Regulatory Review Act (71 P.S. §745.5), and section 612 of the Administrative Code (71 P.S. §232), we are considering adopting the proposed regulations set forth in **Annex A**, attached hereto; **THEREFORE,**

**IT IS ORDERED THAT:**

1. The proposed rulemaking at the above L- docket will consider the regulations set forth in Annex A;
2. 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;
3. The Secretary shall submit this Order and Annex A for review and comment to the Independent Regulatory Review Commission and Legislative Standing Committees;
4. The Secretary shall certify this Order and Annex A, and deposit them with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*. The Secretary shall specify publication of the Order in accordance with 45 Pa. C.S. §727;
5. An original and 15 copies of any comments referencing the docket number of the proposed regulations be submitted within 30 days of publication in the *Pennsylvania Bulletin* to the Pennsylvania Public Utility Commission, Attn: Secretary, P.O. Box 3265, Harrisburg, PA 17105-3265. Reply comments will not be entertained;
6. The contact persons for this rulemaking are John T. Crawford, Bureau of Audits, (717) 772-0302, Robert Wilson, FUS, (717) 783-6162, and Matthew Totino, Law Bureau, (717) 787-3126.

7. 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

A handwritten signature in cursive script that reads "James J. McNulty".

James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: March 6, 2003

ORDER ENTERED: **MAR 06 2003**



PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105-3265

PUBLIC MEETING MARCH 6, 2003  
MAR-2003-L-22\*

Petition of the Energy Association of  
Pennsylvania for Waiver of 52 Pa. Code  
§ 57.45 (Electric Service: Preservation  
of Records) and § 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 § 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)

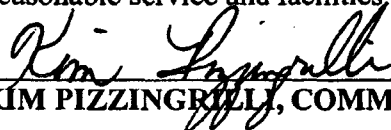
Docket No. L- 00030160

**STATEMENT OF COMMISSIONER KIM PIZZINGRILLI**

Today the Commission adopts a consensus report and recommendation of a Commission directed working group to amend our current record retention regulations.<sup>1</sup> Further, we are proposing several additional technical changes to ensure that the language in both sections is consistent and uniform.

I would like to thank and commend the participants of the working group and the Commission's Staff for all their efforts to reach consensus on the proposed changes. The consensus report highlights the importance of seeking input from interested parties, in an informal setting, to ascertain the rationale behind differing positions and what can be gained from such discussions. Here, the Commission and all the parties to the working group will benefit from the elimination of unnecessary and burdensome reporting requirements. However, and more importantly, the proposed regulatory changes will 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.<sup>2</sup>

March 6, 2003  
DATE

  
KIM PIZZINGRILLI, COMMISSIONER

<sup>1</sup> 52 Pa. Code §§57.45 and 59.45.

<sup>2</sup> 66 Pa. C.S.A. § 1501.

**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 provided below when the following retention periods shall 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 six 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 six 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 six 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>
46. (a) <u>General files of published rate sheets and schedules of utility service (including schedules suspended or superseded).</u>	<u>6 years.</u>
51. (a) <u>Summaries of monthly operating revenues according to classes of service for entire utility.</u>	<u>5 years.</u>
51. (b) <u>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>
53. (e) <u>Cashiers' stubs for merchandise collection.</u>	<u>1 year.</u>
57. (a)(1) <u>Federal income tax returns.</u>	<u>5 years after settlement.</u>
57. (a)(5) <u>Agreements between associate companies as to allocation of consolidated income taxes.</u>	<u>5 years after settlement.</u>
57. (c) <u>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>
59. (f) <u>Check stubs, registers, or other records of checks issued.</u>	<u>5 years.</u>
59. (g) <u>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>
61. (a) <u>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>

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**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 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 provided below when the following retention periods shall 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>
13. (a) <u>Cash books, general and subsidiary or auxiliary books.</u>	<u>5 years after close of fiscal year.</u>
14. (a) <u>Voucher registers or similar records when used as a source document.</u>	<u>5 years.</u>
15. (a) <u>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>
15. (b) <u>Original bills and invoices for materials, services, etc., paid by vouchers.</u>	<u>5 years.</u>
15. (c) <u>Paid checks and receipts for payments by voucher or otherwise.</u>	<u>5 years.</u>
15. (d) <u>Authorization for the payment of specific vouchers.</u>	<u>5 years.</u>
22.4 (e) <u>Pumping output logs with supporting data.</u>	<u>3 years.</u>
26. (a) <u>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>
26. (b) <u>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>
26. (c) <u>Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).</u>	<u>5 years.</u>
30. (a) <u>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 six 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 six 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 six 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>
46. (a) <u>General files of published rate sheets and schedules of utility service (including schedules suspended or superseded).</u>	<u>6 years.</u>
51. (a) <u>Summaries of monthly operating revenues according to classes of service for entire utility.</u>	<u>5 years.</u>
51. (b) <u>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>
53. (e) <u>Cashiers' stubs for merchandise collection.</u>	<u>1 year.</u>
57. (a)(1) <u>Federal income tax returns.</u>	<u>5 years after settlement.</u>
57. (a)(5) <u>Agreements between associate companies as to allocation of consolidated income taxes.</u>	<u>5 years after settlement.</u>
57. (c) <u>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>
59. (f) <u>Check stubs, registers, or other records of checks issued.</u>	<u>5 years.</u>
59. (g) <u>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>
61. (a) <u>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>

## **ANNEX B**

**REPORT AND RECOMMENDATION OF THE  
RECORD RETENTION WORKING GROUP  
REGARDING THE PENNSYLVANIA PUBLIC  
UTILITY COMMISSION'S CURRENT RECORD  
RETENTION REQUIREMENTS AT  
52 PA. CODE §§57.45 AND 59.45.**

**January 30, 2003**

## **Background**

By Order entered on April 16, 2002 at Docket Nos. P-00011902 & P-00011903, the Pennsylvania Public Utility Commission (Commission) denied two petitions filed by the Energy Association of Pennsylvania (Energy Association) requesting a waiver and amendment of the Commission's regulations at 52 Pa. Code §§57.45 and 59.45 dealing with record retention. Section 57.45 applies to Electric Distribution Companies (EDCs), and 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).<sup>1</sup> See 52 Pa. Code §§57.45, 59.45. The most recent NAURC guidelines were revised in May, 1985.

Although it denied the petitions, the Commission specifically recognized the value of eliminating unnecessary and burdensome reporting requirements, whenever possible. At the same time, the Commission emphasized that the elimination or amendment of existing Commission regulations must not impair its 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.

With this balancing 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. The Commission sought input from interested parties, in an informal setting, to ascertain the rationale behind and stated need for any differing

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<sup>1</sup> 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.

record retention requirements of the Commission and the federal government.<sup>2</sup> After completing its review, the working group was directed to report its recommendation to the Commission.

Pursuant to the Commission's April 16, 2002 order, the working group met on numerous occasions from July 2002 through January 2003 to review the Commission's current record retention requirements. The working group was able to reach a consensus recommendation to amend the Commission's record retention regulations for EDCs and NGDCs, as described below in more detail. The working group was led by the Bureau of Audits, Law Bureau, and FUS with considerable participation from OCA, the Energy Association, on behalf of EDCs and NGDCs doing business in Pennsylvania, and various representatives from the relevant utilities. The Commission's Office of Trial Staff was also consulted and does not oppose the working group consensus. The Office of Small Business Advocate was notified of the working group and elected not to participate.

### **Recommendation**

The working group has reached a consensus and recommends that the Commission amend the Commission's record retention requirements at 52 Pa. Code §§57.45 and 59.45 to read as follows:<sup>3</sup>

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<sup>2</sup> New record retention rules of the Federal Energy Regulatory Commission (FERC) became effective on 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 records 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).

<sup>3</sup> Recommended additions have been underlined, while recommended deletions are bracketed.

**§ 57.45. Preservation of records.**

A public utility shall keep and preserve its records in accordance 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 Electric, Gas, and Water Utilities[.]," except as provided below where the following retention periods shall apply:

	<u>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>
13. (a)	<u>Cash books, general and subsidiary or auxiliary books.</u>	<u>5 years after close of fiscal year.</u>
14. (a)	<u>Voucher registers or similar records when used as a source document.</u>	<u>5 years.</u>
15. (a)	<u>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>DESCRIPTION</u>	<u>RETENTION PERIOD</u>
<u>15. (b)</u>	<u>Original bills and invoices for materials, services, etc., paid by vouchers.</u>	<u>5 years.</u>
<u>15. (c)</u>	<u>Paid checks and receipts for payments by voucher or otherwise.</u>	<u>5 years.</u>
<u>15. (d)</u>	<u>Authorization for the payment of specific vouchers.</u>	<u>5 years.</u>
<u>22.4 (e)</u>	<u>Pumping output logs with supporting data.</u>	<u>3 years.</u>
<u>26. (a)</u>	<u>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)</u>	<u>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)</u>	<u>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)</u>	<u>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>31. (a)</u>	<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 six years after plant is retired.</u>

<u>DESCRIPTION</u>	<u>RETENTION PERIOD</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 six 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 six 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>
46. (a) <u>General files of published rate sheets and schedules of utility service. (Including schedules suspended or superseded).</u>	<u>6 years.</u>
51. (a) <u>Summaries of monthly operating revenues according to classes of service for entire utility.</u>	<u>5 years.</u>

<u>DESCRIPTION</u>	<u>RETENTION PERIOD</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>65. (a) Annual financial, operating and statistical reports.</u>	<u>15 years.</u>
<u>65. (c)(1) Transaction with associated companies.</u>	<u>5 years.</u>
<u>65. (c)(7) Purchases and sales, utility properties.</u>	<u>10 years.</u>
<u>65. (c)(9) Service interruptions.</u>	<u>5 years.</u>

**DESCRIPTION**

**RETENTION PERIOD**

66. (a) 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).

3 years.

**§ 59.45. Preservation of records.**

Each gas utility shall keep and preserve its records in accordance with the provisions applicable to it in the 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 Electric, Gas, and Water Utilities[.]," except as provided below where the following retention periods shall apply:

	<u>DESCRIPTION</u>	<u>RETENTION PERIOD</u>
6. (a)	<u>Minute books of stockholders', directors', and directors' committee meetings.</u>	<u>25 years.</u>
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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>
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11. (a)	<u>Journals, general and subsidiary.</u>	<u>20 years.</u>
13. (a)	<u>Cash books, general and subsidiary or auxiliary books.</u>	<u>5 years after close of fiscal year.</u>
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15. (a)	<u>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>DESCRIPTION</u>	<u>RETENTION PERIOD</u>
15. (b)	<u>Original bills and invoices for materials, services, etc., paid by vouchers.</u>	<u>5 years.</u>
15. (c)	<u>Paid checks and receipts for payments by voucher or otherwise.</u>	<u>5 years.</u>
15. (d)	<u>Authorization for the payment of specific vouchers.</u>	<u>5 years.</u>
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26. (a)	<u>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>
26. (b)	<u>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>
26. (c)	<u>Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).</u>	<u>5 years.</u>
30. (a)	<u>Ledgers of utility plant accounts including land and other detailed ledgers showing the costs of utility plant by classes.</u>	<u>30 years.</u>
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<u>DESCRIPTION</u>	<u>RETENTION PERIOD</u>
<u>31. (b) 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 six years after plant is retired.</u>
<u>31. (f) 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>
<u>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.</u>	<u>5 years after clearance to the plant account, provided continuing property plant inventory records are maintained; otherwise six years after plant is retired.</u>
<u>41. (a) Ledger sheets and card records of materials and supplies received, issued and on hand.</u>	<u>6 years.</u>
<u>45. (a) Applications for utility service for which contracts have been executed.</u>	<u>4 years.</u>
<u>45. (g) 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>
<u>45. (h) Applications and contracts for extensions for which donations or contributions are made by customers or others.</u>	<u>4 years after expiration.</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>DESCRIPTION</u>	<u>RETENTION PERIOD</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>65. (a) Annual financial, operating and statistical reports.</u>	<u>15 years.</u>
<u>65. (c)(1) Transaction with associated companies.</u>	<u>5 years.</u>
<u>65. (c)(7) Purchases and sales, utility properties.</u>	<u>10 years.</u>
<u>65. (c)(9) Service interruptions.</u>	<u>5 years.</u>



<u>DESCRIPTION</u>	<u>RETENTION PERIOD</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>


The working group believes that these proposed changes mark a significant step towards striking the appropriate balance between the interests of the relevant utilities to eliminate unnecessary or overly burdensome record retention requirements and the interests of governmental entities to adequately regulate those utilities. By reducing the length of certain record retention requirements, changing others, and increasing some, the working group believes that its recommendation should lessen the record retention burden and related costs for the relevant utilities. At the same time, these changes will not, in any way, compromise 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.


On a more technical level, the working group recommends deleting NARUC's address from Section 59.45. First, the address is outdated and no longer valid. Second, the address does not appear in Section 57.45 and thus, to promote consistency, should be removed. Third, the inclusion of NARUC's address in this section has no substantive value and thus, is superfluous.


As a final note, the working group also considered concomitant pursuit of modifying the NARUC guidelines directly through NARUC. However, when amendment of NARUC's record retention requirements was presented to the Staff Subcommittee on Accounting and Finance at NARUC's Fall 2002 meetings, interest was "lukewarm," with a survey of the subcommittee members yielding only a modest response. Moreover, because of the nature of NARUC and the many divergent interests that are represented, the working group believes that obtaining the consensus necessary to effectuate the exact changes being proposed by working group would be difficult.

**Conclusion**

The working group recommends that the Commission amend its record retention requirements at 52 Pa. Code §§57.45 and 59.45. The working group recommends amending these regulations to: (1) change certain record retention periods in the NARUC guidelines as described above; and (2) delete NARUC's address from Section 59.45 of the Commission's regulations.

  
John T. Crawford, Manager  
Bureau of Audits

  
Matthew A. Totino, Assistant Counsel  
Law Bureau

  
Robert Wilson, Fin/Tariffs-Manager  
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COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA

GLEN R. THOMAS  
CHAIRMAN

April 16, 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  
Proposed 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 proposed rulemaking and the Regulatory Analysis Form prepared in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." Pursuant to Section 5(a) of the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15) the Commission is submitting today a copy of the proposed rulemaking and Regulatory Analysis Form to the Chairman of the House Committee on Consumer Affairs and to the Chairman of the Senate Committee on Consumer Protection and Professional Licensure.

The purpose of this proposal is to amend 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 Matthew Totino, Law Bureau, 787-3126, Robert Wilson, Bureau of Fixed Utility Services and John T. Crawford, Bureau of Audits, 772-0302.

The proposal has been deposited for publication with the Legislative Reference Bureau.

Very truly yours,

A handwritten signature in black ink that reads "Glen Thomas". The signature is written in a cursive, flowing style.

Glen R. Thomas  
Chairman

Enclosures

cc: The Honorable Robert M. Tomlinson  
The Honorable Lisa Boscola  
The Honorable Dennis M. O'Brien  
The Honorable Joseph Preston, Jr.  
Legislative Affairs Director Perry  
Chief Counsel Pankiw  
Assistant Counsel Totino  
Mr. Crawford  
Mr. Wilson  
Regulatory Coordinator DelBiondo  
Donna Cooper, Governor's Policy Office

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT  
TO THE REGULATORY REVIEW ACT

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ID Number: L-00030160/57-227

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

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Pennsylvania Public Utility Commission

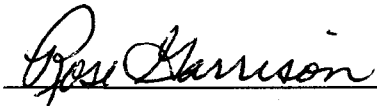
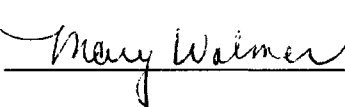
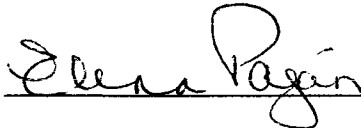
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TYPE OF REGULATION

- Proposed Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted.
- 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>
4/16/03		<u>HOUSE COMMITTEE</u> Consumer Affairs
4/16/03		<u>SENATE COMMITTEE</u> Consumer Protection and Professional Licensure
4/16/03		Independent Regulatory Review Commission
_____	_____	Attorney General
_____	_____	Legislative Reference Bureau

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