FEB. 15. 2005 3:28PM PUC [Law Bureau] Hbg,	Pa. 17120 NO. 2558 P. 4
Regulatory Analysis F	This space for use by IRRC
(1) Agency	RECEIVED
Public Utility Commission	2005 FEB 15 PM 3: 23
(2) I.D. Number (Governor+s Office Use)	REVIEW COMMISSION
L-00030160/57-227 a	IRRC Number: 2460
(3) Short Title	
Amendment of 52 Pa. Code §57.45 and §59.45 Regard	ling Preservation of Records
(4) PA Code Cite (5) Agency (Contacts & Telephone Numbers
52 Pa. Code §57.45 and §59.45 Primary 0	Contact: Patricia Wiedt, Law, 787-5755
Secondar	y Contact:
(6) Type of Rulemaking (check one)	(7) Is a 120-Day Emergency Certification Attached?
 Proposed Rulemaking Final Order Adopting Regulation Final Order, Proposed Rulemaking Omitted 	No Yes: By the Attorney General Yes: By the Governor
(8) Briefly explain the regulation in clear and nontechnica	1 language.
Section 57.45 of the Commission's regulations establish Permsylvania, and Section 59.45 establishes record retention the public utilities to keep their records in conformity with Preservation of Records of Electric, Gas and Water Utiliti Commission's record retention regulations of electric and associated costs for the relevant utilities. This final omitted rulemaking inserts a 20-year retention p considered and approved by the working group for the Co recommendations and resulted in an omission from the fir Commission which became effective December 6, 2003.	a the most recent publication of "Regulations to Govern t es," which is published by NARUC. The changes to the gas utilities will lessen the record retention burden and period for "journal vouchers and journal entries," that was munission, but was inadvertently omitted from the group
(9) State the statutory authority for the regulation and any	relevant state or federal court devisions
66 Pa. C.S. §§501 and 1501.	
oore oo, gant and toot.	

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.
(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 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.
(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 changes will lessen the record retention burden and associated costs.

Regulatory Analysis Form	
(4) 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 this regulation.	
5) 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.	
6) 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.	f
A working group was convened to review the Commission's existing record retention regulations ectric and gas utilities. The group met on numerous occasions and was able to reach a consensus to nend the record retention regulations for electric and gas utilities. The group was led by the	
ommission's Bureau of Audits, Law Bureau and FUS with participation from OCA, the Energy Ass A, and representatives from various relevant utilities.	soc. of
7) Provide a specific estimate of the costs and/or savings to the regulated community associated	. <u></u>
with compliance, including any legal, accounting or consulting procedures which may be required.	
The changes will reduce the record retention burden and associated costs. The exact reduction of not measurable at this time.	fcosts

 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

(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

(20) In the table below, p implementation and c government for the cu	compliance for th	e regulated c	ommunity, loo			
	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	N/O*					
Local Government						
State Government						
Total Savings	·					4
COSTS:	ļ					
Regulated Community						
Local Government						
State Government						
Total Costs						I
REVENUE LOSSES:	N/O*_					
Regulated Community						
Local Government						1
State Government						
Total Revenue Losses						

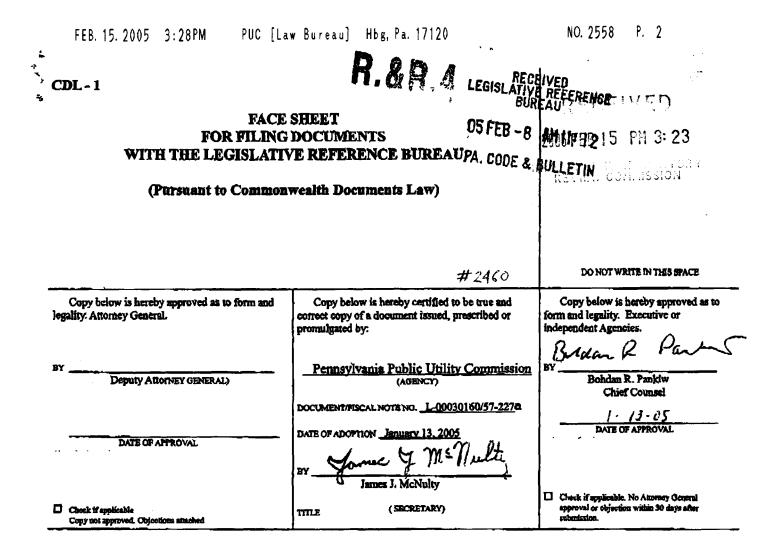
Not measurable at this time.

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(20b) Provide the pas		latory Analysis F are history for programs		gulation.
Program	FY -3	FY -2	FY -1	Current FY
N/A				
		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	
outweigh the adv As previously dis and gas utilities will h	erse effects and costs. scussed, the changes t essen the record reten	wided above, explain h to the Commission's re tion burden and associ datory, uniform systen	cord retention regul ated costs for the re	ations for electric levant utilities.
	regulatory alternative ide the reasons for the	s considered and the co eir dismissal.	osts associated with	those
		es considered and the c	osts associated with	those schemes.
(23) Describe alternat Provide the reasons	for their dismissal.			

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.
See above.
(25) How does this regulation compare with those of other states? Will the regulation put
Pennsylvania at a competitive disadvantage with other states?
Comparison with other states was not directly made.
Comparison with other states was not directly made.
(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 PA.
(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 standing committees and the Independent Regulatory Review Commission.
(31) Provide the schedule for continual review of the regulation.
The regulation will be reviewed on an ongoing basis.



L-00030160/57-227a Final Omitted Rulemaking Amendment of 52 Pa. Code §57.45 and 52 Pa. Code §59.45 Regarding Preservation of Records Chapters 57 and 59

The Pennsylvania Public Utility Commission on January 13, 2005, adopted a final omitted rulemaking order which amends existing regulations regarding record retention requirements for jurisdictional electric and gas utilities by inserting a 20-year retention period for "journal vouchers and journal entries" that was inadvertently omitted from the Commission's previously submitted final rulemaking, which became effective December 6, 2003. The contact person is Patricia Wiedt, Law Bureau (787-5755).

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REVIEW COMMISSION

2005 FEB 15 PM 3: 23

EXECUTIVE SUMMARY L-00030160/57-227a Final Omitted Rulemaking Amendment of 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 will 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 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*.

¹ The National Association of Regulatory Utility Commissioners (NARUC) is a nonprofit 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.

On September 27, 2004, the Energy Association of Pennsylvania (Energy Association) petitioned the Commission regarding an oversight that occurred resulting in the omission of an item from the list of retention periods at 52 Pa. Code §§57.45, 59.45. The Energy Association indicated that a 20-year retention period for "journal vouchers and journal entries" was previously considered and approved during the working group and was inadvertently omitted from the group's recommendations and as a consequence was omitted from the Final Rulemaking Order. Journal vouchers and journal entries are associated with journals and should logically have the same retention period as journals. Reducing one of these items to a 20-year retention requirements would be different for substantially similar records. This would cause confusion regarding retention for journals and journal vouchers and entries. The Commission believes that the working group discussed a 20-year retention period for "journal vouchers and journal entries" and

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mistakenly failed to include this item in their recommendations. This Final Omitted Rulemaking would correct this omission and reduce confusion regarding record keeping requirements for journals, journal vouchers and journal entries.

The contact person for this rulemaking is Patricia Wiedt (legal), (717) 787-5755.

PENNSYLVANIA PUBLIC UTILITY COMMISSION Harrisburg, PA 17105-3265

Public Meeting held January 13, 2005

Commissioners Present:

Wendell F. Holland, Chairman Robert K. Bloom, Vice Chairman Glen R. Thomas Kim Pizzingrilli

Final Omitted Rulemaking Order of Amendment of Docket No. L -00030160 52 Pa. Code §57.45 and §59.45 regarding Preservation of Records

Petition of the Energy Association of Pennsylvania for Amendment, Through Final Form Omitted Rulemaking, of Regulations Annexed to the Final Rulemaking Order

Docket No. P-00042129

FINAL OMITTED RULEMAKING ORDER

BY THE COMMISSION:

On December 6, 2003, the Commission amended its regulations regarding Preservation of Records for Electric and Natural Gas Utilities at 52 Pa. Code §§57.45 and 59.45. On September 27, 2004, the Energy Association of Pennsylvania petitioned the Commission to amend 52 Pa. Code §§57.45 and 59.45 to insert a 20-year retention period for "journal vouchers and journal entries," that was considered and approved by the working group for the Commission, but was inadvertently omitted from the group's recommendations and resulted in an omission from the final amended regulations. The Commission now reviews this matter for final disposition.

Pursuant to 45 P.S. §1204(1) of the Commonwealth Documents Law, and as set forth below, the Commission believes that the procedures set forth in Sections 201 and 202 for proposed rulemaking are not appropriate, necessary or beneficial. The matter omitted was inadvertently left out of a previous rulemaking and amending the regulation to correct this omission would provide continuity and clarity to the existing regulations.

Background:

In August of 2003, the Commission issued a Final Rulemaking Order adopting regulations at 52 Pa. Code §§57.45 and 59.45 for electric and gas utility record retention. Section 57.45 establishes record retention requirements for Electric Distribution Companies (EDCs), while Section 59.45 establishes record retention requirements for Natural Gas Distribution Companies (NGDCs). Both of these 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). See 52 Pa. Code §§57.45, 59.45. The most recent publication of the NARUC regulations governing record retention was revised in May of 1985.

The Commission has specifically recognized the value of eliminating unnecessary and burdensome reporting requirements whenever possible. At the same time, the Commission has emphasized that the elimination or amendment of existing Commission regulations must not impair the Commission's 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.

In keeping with these dual interests, the Commission directed the formation of a working group to review the Commission's current record retention regulations for EDCs and NGDCs that included the Law Bureau, the Bureau of Fixed Utility Services and the

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Bureau of Audits. After completing its review, the working group reported its recommendations to the Commission.

By Order entered March 6, 2003, 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.

On April 26, 2003, the Proposed Rulemaking Order of the Commission was published in the *Pennsylvania Bulletin*, 33 Pa.B. 2064. 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 of these 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 December 6, 2003, the amended regulations were published in the *Pennsylvania Bulletin*, 33 Pa.B. 5923.

On September 27, 2004, the Energy Association of Pennsylvania (Energy Association) petitioned the Commission regarding an oversight that occurred resulting in the omission of an item from the list of retention periods at 52 Pa. Code §§57.45, 59.45. The Energy Association indicated that a 20-year retention period for "journal vouchers and journal entries" was previously considered and approved during the working group and was inadvertently omitted from the group's recommendations and as a consequence was omitted from the Final Rulemaking Order.¹

The Petition of the Energy Association of Pennsylvania for Amendment, Through Final Form Omitted Rulemaking, of Regulations Annexed to Final Rulemaking Order, P-00042129, was served to all parties on the official service list for PUC Docket No.

¹ 33 Pa.B. 5923.

L-00030160: 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) including: Robert Wilson, Bureau of Fixed Utility Services, Pennsylvania Public Utility Commission; Office of Trial Staff, Pennsylvania Public Utility Commission; William R. Lloyd, Jr., Small Business Advocate; Horace P. Payne, Jr., The Peoples Natural Gas Company; Matthew Totino, Law Bureau, Pennsylvania Public Utility Commission; John Crawford, Bureau of Audits, Pennsylvania Public Utility Commission; Tanya J. McCloskey, Senior Assistant Consumer Advocate; and Paul R. Russell, PPL Electric Utilities Corporation. No answers to this Petition have been filed with the Secretary's Bureau.

Discussion

The working group began by reviewing the provisions listed in NARUC's publication, "Schedule of Records and Period of Retention," and discussed possible changes from there.² Items 11(a) and 12(a) in NARUC's publication provide for a 50-year retention period for 11(a) journals, general and subsidiary ledgers and a 50-year retention period for 12(a) journal vouchers and journal entries. The Commission agrees that the provision for a 20-year retention period for "journal vouchers and journal entries" was considered and approved by the working group and inadvertently left out of the recommendations of this group. In the Final Rulemaking Order, the Commission adopted a provision for a 20-year retention period for "journals, general and subsidiary."³ The Commission recognizes that a 20-year retention period for "journal vouchers and journal entries are items contained within journals and should logically have the same retention period as journals. Reducing one of these items to a 20-year retention period and not the other would be inconsistent as the NARUC and Commission recognizes confusion regarding

² "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities," National Association of Regulatory Utility Commissioners (Revised ed. May 1985).

retention for journals and journal vouchers and entries. Therefore, it does seem apparent that this item was inadvertently omitted from the Final Rulemaking.

Additionally, the Commission believes that the working group discussed a 20-year retention period for "journal vouchers and journal entries" and mistakenly failed to include this item in their recommendations. Discussions with employees involved in this working group and research into the files from that working group supports that such an item amendment was considered and approved by the working group and inadvertently left out of their recommendations.

Amending §§57.45 and 59.45 to include a provision for a 20-year retention period for "journal vouchers and journal entries" would correct this oversight. The language listed in Annex A sets forth this correction at 52 Pa. Code §§57.45(12)(a) and 59.45(12)(a).

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, 1204), and regulations promulgated there 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 amendment omitted previously from the Final Rulemaking Order to 52 Pa. Code §§57.45 and 59.45 should be approved as set forth in Annex A attached hereto, THEREFORE,

³ 52 Pa. Code §§57.45(11)(a), 59.45(11)(a).

IT IS ORDERED:

 That the Petition of the Energy Association of Pennsylvania for Amendment, Through Final Form Omitted Rulemaking, of Regulations Annexed to Final Rulemaking Order be granted.

2. 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.

3. 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;

4. 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.

5. 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*.

6. 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*.

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7. 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 M Lulty (MA) James J. McNulty

Secretary

(SEAL)

ORDER ADOPTED: January 13, 2005 ORDER ENTERED: JAN 2 1 2005

ANNEX A

TITLE 52. PUBLIC UTILITIES PART II. PUBLIC UTILITY COMMISSION Subpart C. FIXED SERVICE UTILITIES CHAPTER 57. ELECTRIC SERVICE Subchapter D. ACCOUNTS AND RECORDS

§57.45. Preservation of records.

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:

	Item No. and Description	Retention Period
	* * * * *	k
<u>12. (a)</u>	Journal vouchers and journal entries.	20 years

* * * * *

TITLE 52. PUBLIC UTILITIES PART II. 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 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:

Item No. and Description

Retention Period

* * * * *

<u>12. (a)</u>	Journal vouchers and journal entries.	<u>20 years</u>
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Pennsylvania Public Utility Commission Commonwealth of Pennsylvania Harrisburg, Pennsylvania

WENDELL F. HOLLAND CHAIRMAN February 8, 2005

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 Omitted 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. These documents are submitted pursuant to Section 204 of the Commonwealth Documents Law (45 P.S. §1204) and Section 745.5(f) of the Regulatory Review Act (71 P.S. §745.5).

The purpose of this proposal is to amend existing regulations regarding record retention requirements for jurisdictional electric and gas utilities.

The proposal has been submitted to the Attorney General pursuant to the Commonwealth Attorneys Act (71 P.S. §732.101, <u>et seq.</u>), Governor's Budget Office for fiscal impact and deposited with the Legislative Reference Bureau. The final rulemaking will not be published in the <u>Pennsylvania Bulletin</u> until completion of review by the Senate Committee on Consumer Protection and Professional Licensure, House Committee on Consumer Affairs and the Independent Regulatory Review Commission (IRRC).

Very truly yours,

Marchell J. Alland Wendell F. Holland

Wendell F. Holland Chairman

Enclosures

cc: Chief Counsel Pankiw Regulatory Coordinator DelBiondo Assistant Counsel Wiedt

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

- ID Number: L-00030160/57-227
- Subject: Amendment of 52 Pa. Code §57.45 and §59.45 Regarding Preservation of Records

Pennsylvania Public Utility Commission

2460

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TYPE OF REGULATION

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<u> </u>	Proposed Regulation
<u> </u>	Final Regulation with Notice of Proposed Rulemaking Omitted.
	Final Regulation
	120-day Emergency Certification of the Attorney General
<u></u>	120-day Emergency Certification of the Governor

FILING OF REPORT

Date	Signature	Designation
218/05	MicheleWarren	HOUSE COMMITTEE
2/8/05	Man Walmer	SENATE COMMITTEE
		Consumer Protection and Professional Licensure
2/7/05	Steph F. 1stfm	Independent Regulatory Review Commission
	• 	Attorney General
,		Legislative Reference Bureau