

The Public Utility Commission of Texas (commission) proposes amendments to §25.71, relating to General Procedures, Requirements and Penalties; §25.72, relating to Uniform System of Accounts; §25.73, relating to Financial and Operating Reports; §25.74 relating to Reports on Sale of Property and Mergers; §25.76 relating to Gross Receipts Assessment Report; §25.81 relating to Service Quality Reports; §25.83 relating to Construction Reports; and §25.89 relating to Report of Loads and Resources. The proposed amendments are necessary to modify reporting requirements to conform to the Public Utility Regulatory Act (PURA) as amended by Senate Bill 7, Act of May 21, 1999, 76th Legislature, Regular Session, chapter 405, 1999 Texas Session Law Service, 2543 (Vernon) (SB7). Project Number 21232 has been assigned to this proceeding.

Constance T. Corona, Senior Policy Analyst, Office of Policy Development, has determined that for each year of the first five-year period the proposed sections are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the sections.

Ms. Corona has determined that for each year of the first five years the proposed sections are in effect the public benefit anticipated as a result of enforcing the sections will be to provide reporting requirements that conform to statute as amended by SB7 and that more accurately reflect the commission's rules and current regulations in support of the objectives of SB7. There will be no effect

on small businesses or micro-businesses as a result of enforcing these sections. There is no anticipated economic cost to persons who are required to comply with the sections as proposed.

Ms. Corona has also determined that for each year of the first five years the proposed sections are in effect there should be no affect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022.

Comments on the proposed amendments (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 30 days after publication. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed sections. The commission will consider the costs and benefits in deciding whether to adopt the amendments. All comments should refer to Project Number 21232.

These amendments are proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction, and specifically PURA §14.003 which grants the commission the authority to require reports of utilities and to establish the form and frequency of such reports; §16.001, which imposes an assessment on each public utility, retail electric provider, and electric cooperative; PURA §39.155, which authorizes

the commission to require reports to assess market power; and PURA §40.004 and §41.004, which authorize the commission to require such reports of municipally owned utilities and electric cooperatives.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 14.003, 16.001, 39.155, 40.004, and 41.004.

§25.71. General Procedures, Requirements and Penalties.

- (a) **Who shall file.** The ~~record-keeping~~record keeping, reporting, and filing requirements listed in this subchapter shall apply to all electric utilities and electric cooperatives operating in the State of Texas, ~~excluding municipally owned utilities~~, unless otherwise specified. Moreover, the provisions of this subchapter are applicable to all services provided by such carriers.
- (b) **Initial reporting.** Unless otherwise specified in a section of this subchapter, periodic reporting shall commence as follows:
- (1) **Quarterly reporting.** For ~~all electric utilities and other persons required to file~~ records, reports and other required information under this chapter, ~~who are not already filing quarterly with the commission as of the effective date of this section~~, reporting shall begin with an initial filing for the first fiscal quarter for which information is available.
- (2) **Annual Reporting.** For all ~~electric utilities and other persons required to file records,~~ reports and other required information under this chapter, ~~who are not already filing annually with the commission as of the effective date of this section~~, reporting shall begin with an initial filing for the most recent fiscal year ending on or prior to April 30 of the first year the record, report or other required information must be filed with the commission.

- (c) **Maintenance and location of records.** Records~~All records~~, books, accounts, or memoranda required of an electric utility, as defined in the Public Utility Regulatory Act, §31.002(6), ~~§31.002(4)~~ may be kept outside the State of Texas so long as those records, books, accounts, or memoranda are returned to the state for any inspection by the commission that is authorized by the Public Utility Regulatory Act.
- (d) **Report attestation.** All reports submitted to the commission shall be attested to by an officer or manager of the electric utility or electric cooperative under whose direction the report is prepared, or if under trust or receivership, by the receiver or a duly authorized person, or if not incorporated, by the proprietor, manager, superintendent, or other official in responsible charge of the electric utility's or the electric cooperative's operation.
- (e) **Information omitted from reports.** The commission may waive the reporting of any information required in this subchapter if it determines that it is either impractical or unduly burdensome on any electric utility or electric cooperative to furnish the requested information. If any such information is omitted by permission of the commission, a written explanation of the omission must be stated in the report.
- (f) (No change.)

- (g) **Special and additional reports.** Each electric utility, ~~including~~ municipally owned utility~~utilities~~, and electric cooperative shall report, on forms prescribed by the commission, special and additional information as requested which relates to the operation of the business of the electric utility, municipally owned utility, or electric cooperative.
- (h) (No change.)

§25.72. Uniform System of Accounts.

- (a) Every electric utility and electric cooperative shall keep uniform accounts as prescribed by the commission of all business transacted. The classification of electric utilities and electric cooperatives, index of accounts, definitions, and general instructions pertaining to each uniform system of accounts as amended from time to time shall be adhered to at all times, unless provided otherwise by these rules, or specifically permitted by the commission.
- (b) **Classification.** For the purposes of accounting and reporting to the commission, each electric utility or electric cooperative shall be classified as follows:
- (1) **Major:** electric utilities or electric cooperatives that had in each of the last three consecutive years sales or transmission service that exceeded any one or more of the following:
- (A) - (D) (No change.)

- (2) **Nonmajor:** electric utilities or electric cooperatives that are not classified as "major" as defined in paragraph (1) of this subsection.
- (c) **System of accounts.** For the purpose of accounting and reporting to the commission, each electric utility and electric cooperative shall maintain its books and records in accordance with the following prescribed uniform system of accounts:
- (1) **Major:** uniform system of accounts as adopted and amended by the Federal Energy Regulatory Commission for major electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
- (2) **Nonmajor:** uniform system of accounts as adopted and amended by the Federal Energy Regulatory Commission for nonmajor electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
- (d) **Other system of accounts.** When an electric a-utility or electric cooperative has adopted a uniform system of accounts as may be required by a state or federal agency other than those previously mentioned in this section (e.g. United States Department of Agriculture - Rural Utilities Service), that system of accounts may be adopted by the electric utility or electric cooperative after notification to the commission.

- (e) **Merchandise accounting.** Each electric utility and electric cooperative shall keep separate accounts to show all revenues and expenses resulting from the sale or lease of appliances, fixtures, equipment, directory advertising, or other merchandise.
- (f) **Accounting period.** Each electric utility and electric cooperative shall keep its books on a monthly basis so that for each month all transactions applicable thereto shall be entered in the books of the electric utility or electric cooperative.
- (g) **Rules related to capitalization of construction costs.** Each electric utility and electric cooperative shall accrue allowance for funds used during construction on construction work in progress to the extent not included in rate base. In the event construction work in progress is included in rate base pursuant to the rules in §25.231(c)(2)(D) ~~§23.21(e)(2)(D)~~ of this title (relating to Cost of Service), capitalization of allowance for funds used during construction for electric utilities and electric cooperatives is allowed.

§25.73. Financial and Operating Reports.

- (a) Annual reports.
- (1) Each major electric utility shall file with the commission the same annual report required by the Federal Energy Regulatory Commission ~~or United States Department of Agriculture—Rural Utilities Service~~. Such annual reports shall be filed with the

commission on the same dates as required to be filed by the Federal Energy Regulatory Commission ~~or United States Department of Agriculture Rural Utilities Service, whichever is applicable~~. Major electric utilities which are not required to file such reports shall file with the commission an annual report on the form prescribed by the Federal Energy Regulatory Commission.

(2) Each nonmajor electric utility shall file with the commission the same annual report as is required of such electric utility by the Federal Energy Regulatory Commission ~~or United States Department of Agriculture Rural Utilities Service~~. Such annual reports shall be filed with the commission on the same dates as required to be filed by the Federal Energy Regulatory Commission ~~or United States Department of Agriculture Rural Utilities Service, whichever is applicable~~.

(3) Each electric utility holding company subject to annual reporting to the Securities and Exchange Commission and each electric utility shall file with the commission three copies of its annual report to shareholders, and customers, ~~or members~~. Unless included in the annual report to shareholders, and customers, ~~or members~~, each electric utility shall file concurrently with the filing of such report three copies of any audited financial statements that may have been prepared on its behalf.

(b) **Annual earnings report.** Each electric utility not required to file an Annual Report pursuant to the Public Utility Regulatory Act (PURA) §39.257 shall file with the commission, on commission-prescribed ~~commission-prescribed~~ forms, an earnings report providing the

information required to enable the commission to properly monitor electric utilities within the state. Each transmission service provider shall file with the commission a report that will permit the commission to monitor its transmission costs and revenues pursuant to §25.193(a)(5) of this title (relating to Procedures for Modifying Transmission Rates).

(1) - (2) (No change.)

~~(3) — On the due date of the annual earnings report, each electric utility with a rate proceeding pending before the commission, pursuant to the Public Utility Regulatory Act, Chapter 36, in which a rate filing package is required, may submit an abbreviated earnings report. Specifications for the abbreviated filing are included in the General Filing Instructions for the annual earnings report.~~

(c) - (d) (No change.)

§25.74. Reports on Sale of Property and Mergers.

(a) – (d) (No change.)

(e) An electric cooperative or municipal utility shall not sell, acquire, lease or rent any generating facilities in the State of Texas for a total consideration in excess of \$100,000 unless transaction is reported to the commission while pending or within 30 days after closing.

§25.76. Gross Receipts Assessment Report.

All electric utilities, electric cooperatives, and retail electric providers subject to the jurisdiction of the commission shall file a gross receipts assessment report with the state comptroller reflecting those gross receipts subject to the assessment as required by the Public Utility Regulatory Act on a form prescribed by the state comptroller. This report ~~These reports~~ shall be required on an annual basis for those companies that have elected to remit their assessment annually and on a quarterly basis for those companies that have elected to remit their assessment quarterly. Such reports and assessments shall be remitted in accordance with the Public Utility Regulatory Act, Chapter 16, Subchapter A.

§25.81. Service Quality Reports.

Electric utilities and electric cooperatives shall submit annual service ~~Service~~-quality reports ~~shall be submitted annually~~ no later than February 14 of each year on a form prescribed by the commission.

§25.83. Construction Reports.

Each electric utility or electric cooperative constructing a facility requiring reporting to the commission under §25.101 ~~§23.31(e)~~ of this title (relating to Certification Criteria) shall report to the commission on the commission-prescribed preliminary construction report form prior to the commencement of construction.

§25.89. Report of Loads and Resources.

Each transmission service customer ~~electric utility~~ that submits an annual report of loads and resources to the Electric Reliability Council of Texas independent system operator pursuant to §25.198(l) ~~§23.70(e)~~ of this title (relating to Initiating Transmission Service Terms and Conditions of Open Access Comparable Transmission Service) or other reliability council shall file a copy with the commission and maintain a copy of supporting documentation for five years. If no such annual report is prepared, the transmission service customer ~~utility~~ shall maintain a record of the load and resource documents prepared in the normal course of its activities for five years.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 10th DAY OF MARCH 2000 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
RHONDA G. DEMPSEY**