

§ 367.9302

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(2) Preparing advertising material for newspapers, periodicals, billboards, and other similar items, and preparing or conducting motion pictures, radio and television programs.

(3) Preparing booklets, bulletins, and other similar forms of advertisement, used in direct mail advertising.

(4) Preparing window and other displays.

(5) Clerical and stenographic work.

(6) Investigating and employing advertising agencies, selecting media and conducting negotiations in connection with the placement and subject matter of advertising.

(c) This account must include the following materials and expenses items:

(1) Advertising in newspapers, periodicals, billboards, radio, and other similar forms of advertisement.

(2) Advertising matter such as posters, bulletins, booklets, and related items.

(3) Fees and expenses of advertising agencies and commercial artists.

(4) Postage and direct mail advertising.

(5) Printing of booklets, dodgers, bulletins, and other related items.

(6) Supplies and expenses in preparing advertising materials.

(7) Office supplies and expenses.

(d) Properly includible in this account is the cost of advertising activities on a local or national basis of a good will or institutional nature, which is primarily designed to improve the image of the associate utility company or the industry, including advertisements which inform the public concerning matters affecting the associate utility company's operations, such as, the cost of providing service, the associate utility company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, and other similar forms of advertisement. Entries relating to advertising included in this account must contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message must be readily available.

(e) Exclude from this account and include in account 426.4, Expenditures for certain civic, political and related ac-

tivities (§367.4264), expenses for advertising activities that are designed to solicit public support or the support of public officials in matters of a political nature.

§ 367.9302 Account 930.2, Miscellaneous general expenses.

(a) This account must include the cost of expenses incurred in connection with the general management of the service company not provided for elsewhere.

(b) This account must include labor items including miscellaneous labor not elsewhere provided for.

(c) This account must include the following expenses items:

(1) Industry association dues for company memberships.

(2) Contributions for conventions and meetings of the industry.

(3) Research, development, and demonstration expenses not charged to other operation and maintenance expense accounts on a functional basis.

(4) Communication service not chargeable to other accounts.

(5) Trustee, registrar, and transfer agent fees and expenses.

(6) Stockholders meeting expenses.

(7) Dividend and other financial notices.

(8) Printing and mailing dividend checks.

(9) Directors' fees and expenses.

(10) Publishing and distributing annual reports to stockholders.

(11) Public notices of financial, operating and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

(d) Records must be maintained so as to permit ready analysis by item showing the nature of the expense and identity of the person furnishing the service.

§ 367.9310 Account 931, Rents.

This account must include rents, including taxes, paid for the property of others used, occupied or operated in connection with service company functions. Provide subaccounts for major

groupings such as office space, warehouses, other structure, office furniture, fixtures, computers, data processing equipment, microwave and telecommunication equipment, airplanes, automobiles, and other similar groupings of property. The cost, when incurred by the lessee, of operating and maintaining leased property, must be charged to the accounts appropriate for the expense as if the property were owned.

§ 367.9350 Account 935, Maintenance of structures and equipment.

This account must include materials used and expenses incurred in the maintenance of property owned, the cost of which is included in accounts 390 through 399 (§§ 367.3900 through 367.3990), and of property leased from others. Provide subaccounts by major classes of structures and equipment, owned and leased.

PART 368—PRESERVATION OF RECORDS OF HOLDING COMPANIES AND SERVICE COMPANIES

Sec.

368.1 Promulgation.

368.2 General instructions.

368.3 Schedule of records and periods of retention.

AUTHORITY: 42 U.S.C. 16451-16463.

SOURCE: Order 684, 71 FR 65262, Nov. 7, 2006, unless otherwise note.

§ 368.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by any holding company and by any service company within a holding company system subject to the jurisdiction of the Commission under the Public Utility Holding Company Act of 2005 (42 U.S.C. §§ 16451 *et seq.*).

§ 368.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part apply to all books of account and other records prepared, maintained or held by any agent or employee on behalf of the company. The specification in the schedule in § 368.3 of a record related to a type of transaction includes all documents and cor-

respondence, not redundant or duplicative of other records retained, needed to explain or verify the transaction.

(2) Company means a service company or a holding company as defined in § 367.1 of this chapter. Public utilities, licensees, and natural gas companies must continue to use parts 125 and 225 of this chapter.

(3) Any company subject to this regulation, that, as agent, operator, lessor or otherwise, maintains or has possession of any records relating to the operation, property or obligations of a public utility, licensee, or natural gas company, as defined in the Federal Power Act (16 U.S.C. §§ 824 *et seq.*), the Natural Gas Act (15 U.S.C. §§ 717 *et seq.*), or the laws of any state within which the public utility, licensee, or natural gas company operates, must comply with the laws or regulations as to record retention and destruction which would apply to the records if they were records of the public utility, licensee, or natural gas company as codified in parts 125 and 225 of this chapter.

(4) The regulations in this part should not be construed as excusing compliance with other lawful requirements of any other governmental body, Federal or State, prescribing other record keeping requirements or for preservation of records longer than those prescribed in this part.

(5) To the extent that any Commission regulations may provide for a different record retention period, the records must be retained for the longer of the retention periods.

(6) Records, other than those listed in the schedule, may be destroyed at the option of the company. However, records that are used in lieu of those listed must be preserved for the periods prescribed for the records used for substantially similar purposes. Additionally, retention of records pertaining to added services, functions, plant, and other similar service, the establishment of which cannot be presently foreseen, must conform to the principles embodied in this section.

(7) Notwithstanding the provisions of the records retention schedule in this section, the Commission may, upon the request of the company, authorize a shorter period of retention for any record listed in the schedule upon a