

DEPARTMENT OF ENERGY

FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 125, 225, and 356

[Docket No. RM99-8-000]

Preservation of Records of Public Utilities and Licensees, Natural Gas Companies, and Oil Pipeline Companies

December 21, 1999.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Energy Regulatory Commission (Commission) proposes to amend its records retention regulations for public utilities and licensees, natural gas companies, and oil pipeline companies ("regulated companies"). The Commission proposes to update its regulations and to eliminate unnecessary burdens on regulated companies as part of its ongoing program to reduce or eliminate burdensome and unnecessary regulatory requirements. If adopted, the burden of maintaining records on regulated companies would be significantly reduced.

DATES: Comments on the proposed rulemaking are due on or before March 10, 2000. The Commission will also permit interested persons to submit reply comments in response to the initial comments filed in this proceeding. Reply comments should not exceed 50 double-spaced pages and should include an executive summary. The original and 14 copies of the reply comments must be received on or before April 10, 2000.

ADDRESSES: File comments on the notice of proposed rulemaking with the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426. Comments should reference Docket No. RM99-8-000.

FOR FURTHER INFORMATION CONTACT: Marybeth Schumann (Technical Information), Office of Finance, Accounting and Operations, 888 First Street, NE Washington, DC 20426 (202) 208-2332.

Julia A. Lake (Legal Information), Office of the General Counsel, 888 First Street, NE Washington, DC 20426 (202) 208-2019.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or

print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.fed.us>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

From FERC's Home Page on the Internet, this information is available in both the Commission Issuance Posting System (CIPS) and the Records and Information Management System (RIMS).

—CIPS provides access to the texts of formal documents issued by the Commission since November 14, 1994.

—CIPS can be accessed using the CIPS link or the Energy Information Online icon. The full text of this document will be available on CIPS in ASCII and WordPerfect 8.0 format for viewing, printing, and/or downloading.

—RIMS contains images of documents submitted to and issued by the Commission after November 16, 1981. Documents from November 1995 to the present can be viewed and printed from FERC's Home Page using the RIMS link or the Energy Information Online icon. Descriptions of documents back to November 16, 1981, are also available from RIMS-on-the-Web; requests for copies of these and other older documents should be submitted to the Public Reference Room.

User assistance is available for RIMS, CIPS, and the Website during normal business hours from our Help line at (202) 208-2222 (E-Mail to WebMaster@ferc.fed.us) or the Public Reference at (202) 208-1371 (E-Mail to public.referenceroom@ferc.fed.us).

During normal business hours, documents can also be viewed and/or printed in FERC's Public Reference Room, where RIMS, CIPS, and the FERC Website are available. User assistance is also available.

I. Introduction

The Federal Energy Regulatory Commission (Commission) proposes to amend Parts 125, 225, and 356¹ of its regulations to update, reduce, and clarify records retention requirements for jurisdictional public utilities and licensees, natural gas companies and oil pipeline companies. This proposed rule is part of the Commission's ongoing program to update and eliminate burdensome and unnecessary requirements and if adopted these changes would significantly reduce the

burden of maintaining records for regulated companies. This process was also initiated to respond to requests made by the Office of Management and Budget (OMB) and the industry.

II. Background

Both the Federal Power Act² and the Natural Gas Act³ require jurisdictional companies to keep records that the Commission may prescribe "as necessary or appropriate for purposes of administration" of these acts.⁴ In 1977, the Commission assumed jurisdiction over transportation of oil by oil pipeline companies from the Interstate Commerce Commission by 705(a) of the Department of Energy Organization Act.⁵ Section 20 of the Interstate Commerce Act⁶ requires oil pipeline companies to keep records that the Commission determines are necessary to effectively regulate those companies. In 1983, the Commission last amended its records retention regulations applicable to the public utilities and licensees, natural gas companies, and oil pipeline companies.⁷

In response to the Office of Management and Budget (OMB) request during recertification of the information collection requirements of FERC Form 555, Preservation of Records of Public Utilities and Licensees, Natural Gas Companies, and Oil Pipeline Companies, the Commission agreed to review the media and records retention requirements for the public utilities and licensees, natural gas companies, and oil pipeline companies. OMB also requested that the Commission review the possibility of reducing the records retention requirements for general ledgers from 50 years to 10 years and plant ledgers from 50 years to 25 years. In January, the Commission updated the media requirements⁸ and this notice of proposed rulemaking is the result of a review of the current records retention regulations for public utilities and licensees, natural gas companies, and oil pipeline companies.

III. Discussion

The Commission proposes to make modifications to the current public utilities and licensees, natural gas companies, and oil pipeline companies

² Section 301, 16 U.S.C. 825(a)

³ Section 8, 15 U.S.C. 717g(a)

⁴ Section 402(a)(2) of the Department of Energy Organization Act transfers these Federal Power Act and Natural Gas Act responsibilities from the Federal Power Commission to the Federal Energy Regulatory Commission. 42 U.S.C. 7172(a)(2).

⁵ 42 U.S.C. 7295.

⁶ 49 App. U.S.C. 1 *et seq.*

⁷ 48 FR 12722 (1983).

⁸ 86 FERC ¶ 61,005 (1999).

¹ 18 CFR Parts 125, 225, and 356.

records retention regulations.⁹ These proposed changes to Parts 125, 225, and 356 include revising the general instructions, shortening various records retention periods, increasing retention periods for a few categories of records, and removing all but two retention reserve items.

A. Changes to Public Utilities and Licensees, and Natural Gas Companies General Instructions.

The following proposed changes to the general instructions of Parts 125 and 225 incorporate the Commission's new regulation on record storage media and clarify the Commission's regulations on keeping records used to support costs in rate cases and depreciation (see proposed schedules 125.2 and 225.2).

1. 125.2(d) and 225.2(d)—Incorporate the accounting issuance AI99-2-000¹⁰ on record storage media.

2. 125.2(k) and 225.2(k)—Incorporate the need to keep records that will be used for "rate cases" until the next rate case.

3. 125.2(l) and 225.2(l)—Incorporate a paragraph on life or mortality study data needed to be retained for depreciation purposes.

The Commission believes that these changes are needed to bring clarity to the Commission's records retention instructions and regulations.

B. Shortening of Public Utilities and Licensees, and Natural Gas Companies Records Retention Periods.

The Commission proposes to shorten certain retention periods in 18 CFR 125.3 and 225.3 to reduce the recordkeeping burden on the industries. The records retention periods for the following item numbers and description of records found in the regulations will be reduced for both the public utilities and licensees, and natural gas companies except where noted:

Item Number and Description

2. (a) of Organizational documents.
3. (a) of Contracts and agreements (public utilities and licensees only).
3. (b) of Contracts and agreements.
4. (a) and (b) of Accountants' and auditors' reports.
6. (a)(1), (a)(2), (b)(1), and (b)(2) of General and subsidiary ledgers.
7. Journals.
8. (a) of Journal vouchers and journal entries.
9. Cash books.
10. Voucher registers.
11. (a), (b), (c), (d) of Vouchers.

⁹ See the tables in Appendices A, B, and C depicting the differences between the current and proposed records retention requirements.

¹⁰ 86 FERC ¶ 61,005 (1999).

12.1. (b) of Production-Nuclear (public utilities and licensees only).

15. (a), (b), (c) of Maintenance work orders.

16. (a), (b) of Plant ledgers.

17. (a), (b), (c), (d), (e), (f) of Construction work in progress ledgers.

18. (a), (b) of Retirement work in progress ledgers, work orders, and supplemental records.

18. (c) of Retirement work in progress ledgers, work orders, and supplemental records (public utilities and licensees only).

19. Summary sheets, distribution sheets, reports, and statements.

20. (a) Appraisals and valuations.

33. (a) and (b) of Revenue summaries.

34. (a)(1), (3), (5), (6) and (b), (c) of Tax records.

36. (b) of Records of deposits with banks.

38. (a) of Statistics.

41. Reports to Federal and State regulatory commissions.

42. Advertising.

In addition, the Commission proposes to make a change to the public utilities and licensees and natural gas companies requirements that are tied to "FERC audit reports." The Commission no longer audits on a three year cycle. Instead it conducts industry wide audits on specific Commission accounting issues. The Commission's proposed changes to its regulatory requirements regarding audits range between two and six years.

Item Number and Description

1. Annual reports or statements to stockholders.
26. Material ledgers.
29. Customers service applications and contracts.
30. Rate Schedules.

C. Additions to Public Utilities and Licensees and Natural Gas Companies Records Retention Periods.

To continue to meet its regulatory requirements the Commission proposes to add records retention requirements for the following public utilities and licensees, and natural gas companies record categories (see proposed schedules 125.3 and 225.3):

Item Number and Description

20. (b) Appraisals and valuations.
21. (a) The original or reproduction of engineering records, drawings and other supporting data.
35. Statement of funds and deposits.

Proposed retention item 20(b) is added to include property or investments that are written up or down as a result of mergers or acquisitions,

asset impairments, and other basis. The records retention item 20(b) will be 10 years after the event. These added records retention requirements will allow the Commission adequate time to review these events as necessary.

Proposed retention item 21(a) maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, and records of engineering studies and similar records showing the location of proposed or as-constructed facilities is changed to include retention until retired. These records are needed for our environmental reviews, and therefore should be retained until the facilities are retired.

Proposed retention item 35, Statement of funds and deposits, is revised in response to FERC policy statement on Post-Employment Benefits Other Than Pension¹¹ (PBOP), to require retention of records until the fund is dissolved or terminated. This information is necessary to allow the Commission to ensure the proper disposition of rate payer contributions for PBOPs.

D. Removal of Public Utilities and Licensees, and Natural Gas Companies Reserve Accounts.

The Commission proposes to remove all but one reserve item in both public utilities and licensees, and natural gas companies (see proposed schedule 125.3). The removal of these reserve items allows the records retention schedule to reflect only the records the Commission needs to fulfill its mission. However, we will keep reserve item 37 as place holder in the public utilities and licensees records retention schedule in order to align the public utilities and licensees and natural gas companies item numbers.

E. Changes to Oil Pipeline Companies General Instructions.

The Commission proposes to reorganize the oil pipeline companies general instructions to better align them to the public utilities and licensees, and natural gas companies general instructions (see proposed schedule 356.2). This reorganization will make the general instructions for all three industries consistent.

F. Shortening of Oil Pipeline Companies Records Retention Periods.

The Commission proposes to shorten certain oil pipeline companies retention periods for seven of the twenty four item to three years for Part 356 (see proposed schedule 356.3). These proposed reductions represent a significant reduction in reporting

¹¹ 61 FERC ¶ 61,330 (1992).

burden on the oil industry. They are based on the statutory mandate that limits oil pipeline company's reparations recovery to three years from the time the cause of action accrues.¹² We are proposing that the following oil pipeline companies records retention requirements be reduced to three years:

Item Number and Description

- 2. Minutes of Directors and other corporate meetings.
- 4. (a) Contracts and related papers.
- 7. (a) and (b) Ledgers.
- 8. (a) and (b) Journals.
- 9. (a) and (b) Vouchers.
- 11. Records of accounting.
- 24. (a) Annual financial operating reports.

G. Additions to Oil Pipeline Companies Records Retention Periods.

The Commission proposes to revise records retentions requirements for the following oil pipeline companies record items (see proposed schedule 356.3):

Item Number and Description

- 12. (d)(1) Group method and depreciation rate.
- 12. (g) Files of detailed authorizations for expenditures.

Proposed records item 12(d)(1) is revised from 10 years to 3 years after disposition of property because the Commission needs to review these records at any time during the life of the asset. Proposed retention item 12 (g) is also revised to extend the period from 3 years from acquisition to 3 years after disposition of property because the Commission must be able to review any records related to property or equipment at any time during the life of the asset.

H. Miscellaneous

The Commission notes that OMB specifically requested the Commission

review the possibility of reducing the records retention requirements for general ledgers to 10 years and plant ledgers to 25 years. In this proposed rulemaking, the Commission is reducing the records retention requirements for public utilities and licensees, and natural gas companies general and plant ledgers from 50 years to 25 years. The Commission is not currently proposing to further shorten the records retention requirements for public utilities and licensees, and natural gas companies. However, the Commission will consider whether to further shorten the records retention periods consistent with its regulatory obligations and public comments on this issue. The Commission is also proposing to reduce the records retention requirements for oil pipeline companies' general ledgers and plant ledgers from 50 years to 3 years respectively.

IV. Environmental Statement

Commission regulations require that an environmental assessment or an environmental impact statement be prepared for any Commission action that may have a significant adverse effect on the human environment.¹³ No environmental consideration is necessary for the promulgation of a rule that is clarifying, corrective, or procedural or that does not substantially change the effect of legislation or regulations being amended,¹⁴ and also for information gathering, analysis, and dissemination.¹⁵ The proposed rule changes do not substantially change the effect of the underlying legislation or change the forms. Accordingly, no environmental assessments are necessary.

V. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA)¹⁶ requires rulemakings to contain

either a description and analysis of the effect that the proposed rule will have on small entities or a certification that the rule will not have a significant economic impact on a substantial number of small entities.

In *Mid-Tex Elect. Coop. v. FERC*, 773 F. 2d 327 (D.C. Cir. 1985), the court found that Congress, in passing the RFA, intended agencies to limit their consideration "to small entities that would be directly regulated" by proposed rules. *Id.* at 342. The court further concluded that "the relevant 'economic impact' was the impact of compliance with the proposed rule on regulated small entities." *Id.* at 342.

The Commission does not believe that this proposed rule will have an adverse impact on small entities, nor will it impose upon them any significant costs of compliance. Rather, we anticipate that this rule will significantly reduce the record keeping burden on all jurisdictional entities, including small entities. Most entities regulated by the Commission do not fall within the RFA's definition of a small entity.¹⁷ Therefore, the Commission certifies that this rule will not have a significant economic impact on a substantial number of small entities.

VI. Information Collection Statement

The following collection of information contained in this proposed rule is being submitted to the Office of Management and Budget (OMB) for review under 3507(d) of the Paperwork Reduction Act of 1995.¹⁸ FERC identifies the information retained under Parts 125, 225, and 356 as FERC Form 555. The reporting burden to implement this proposed rule is as follows:

| Data collection | No. of respondents | No. of responses | Hrs. per response | Total annual hours |
|-----------------|--------------------|------------------|-------------------|--------------------|
| FERC-555 | 515 | 1 | 1080 | 556,200 |

Total Annual Hours for Collection (Reporting + Recordkeeping (if appropriate) = 556,200). Based on the Commission's experience with current recordkeeping requirement practices, it is estimated that about 1,080 hours¹⁹ are needed to retain records per year, for a

total annual burden of 556,200 hours. The Commission estimates that if the proposed rule is adopted, it will significantly decrease the burden of the current regulations by shortening the retention periods for certain records.

Information Collection Costs: The Commission seeks comments on the

costs to comply with these requirements. It has projected the average annualized cost for all respondents to be:
 Annualized Capital/Startup Costs: \$0.00.
 Annualized Costs (Operations & maintenance): \$29,274,430.

¹² 49 App. U.S.C. 1 *et seq.*.

¹³ Regulations Implementing National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987); FERC Stats. and Regs. ¶ 30,783 (Dec. 10, 1987).

¹⁴ 18 CFR 380.4(a)(2)(ii).

¹⁵ 18 CFR 380.4(a)(5).

¹⁶ 5 U.S.C. 601-612.

¹⁷ 5 U.S.C. 601(3), citing to 3 of the Small Business Act, 15 U.S.C. 632. Section 3 of the Small Business Act defines a "small-business concern" as a business which is independently owned and

operated and which is not dominant in its field of operation.

¹⁸ 44 U.S.C. 3507(d).

¹⁹ Previous to this proposed rule, the reporting burden was estimated at approximately 2400 hours per response.

Total Annualized Costs: \$29,274,430.

The OMB regulations require OMB to approve certain information collection requirements imposed by agency rule.²⁰ Accordingly, pursuant to OMB regulations the Commission is providing notice of its proposed information collection to OMB.

Title: FERC Form 555, Preservation of Records of Public Utilities, Natural Gas Companies, and Oil Pipeline Companies.

Action: Proposed Data Collection.

OMB Control No.: 1902-0098, the respondent shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

Respondents: Business or other for profit, including small businesses.

Frequency of Responses: On Occasion.

Necessity of Information: The proposed rule revises the requirements contained in 18 CFR parts 125, 225, and 356.

Internal Review: The Commission has assured itself, by means of internal review, that there is specific, objective support for the burden estimates associated with the recordkeeping. The official records maintained by the regulated companies in accordance with the Schedules provided in Parts 125, 225, and 356 are used by the companies as the basis of their required rate filings and reports to the Commission. The Federal Power Act, the Natural Gas Act, and Interstate Commerce Act, require regulated companies to keep such records as the Commission may prescribe "as necessary or appropriate for purposes of administration" of these acts. One of the Commission's most important functions under these acts is insuring that rates charged by regulated companies for certain transactions are "just and reasonable." Almost all the records the Commission requires to be retained are for the purpose of providing an adequate base of information to make decisions on the "reasonableness" of rates. Similarly, the length of retention periods have been based on the time that information will be needed to make decisions on the impact of rates. The records are necessary as they are used by the Commission's staff during compliance reviews and special analyses performed as deemed necessary by the Commission. These requirements conform to the Commission's plan for efficient information collection within the public utilities and licensees, natural gas companies, and oil pipeline companies.

Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [Attention: Michael Miller, Office of the Chief Information Officer, Phone: (202) 208-1415, fax: (202) 208-2425, email: mike.miller@ferc.fed.us].

For submitting comments concerning the collection of information and the associated burden estimate, please send your comments to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395-3087, fax: (202) 395-7285].

VII. Public Comment Procedures

The Commission invites interested persons to submit written comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss.

The original and 14 copies of such comments must be received by the Commission before 5:00 p.m. on or before March 10, 2000. The Commission will also permit interested persons to submit reply comments in response to the initial comments filed in this proceeding. Reply comments should not exceed 50 double-spaced pages and should include an executive summary. The original and 14 copies of the reply comments must be received on or before April 10, 2000. Comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, and should refer to Docket No. RM99-8-000.

In addition to filing paper copies, the Commission encourages the filing of comments either on computer diskette or via Internet E-mail. Comments may be filed in the following formats: WordPerfect 8.0 or lower version, MS Word Office 97 or lower version, or ASCII format.

For diskette filing, include the following information on the diskette label: Docket No. RM99-8-000; the name of the filing entity; the software and version used to create the file; and the name and telephone number of a contact person.

For Internet E-mail submittal, comments should be submitted to "comment.rm@ferc.fed.us" in the following format. On the subject line, specify Docket No. RM99-8-000. In the body of the E-mail message, include the name of the filing entity; the software

and version used to create the file, and the name and telephone number of the contact person. Attach the comments to the E-mail in one of the formats specified above. The Commission will send an automatic acknowledgment to the sender's E-mail address upon receipt. Questions on electronic filing should be directed to Brooks Carter at (202) 501-8145, E-mail address brooks.carter@ferc.fed.us. Commenters should take note that, until the Commission amends its rules and regulations, the paper copy of the filing remains the official copy of the document submitted. Thereafter, any discrepancies between the paper and the electronic filing or the diskette will be resolved by reference to the paper filing.

All written comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference room at 888 First Street, NE, Washington, DC 20426, during regular business hours. Additionally, comments may be viewed, printed or downloaded remotely via the Internet through FERC's Homepage using the RIMS or CIPS link. RIMS contain all comments but only those comments submitted in electronic format are available on CIPS. User assistance is available on CIPS. User assistance is available at (202) 208-2222, or by E-mail to rimsmaster@ferc.fed.us.

List of Subjects

18 CFR Part 125

Electric power, Electric utilities, Reporting and recordkeeping requirements.

18 CFR Part 225

Natural gas, Reporting and recordkeeping requirements.

18 CFR Part 356

Pipelines, Reporting and recordkeeping requirements.

By direction of the Commission.

David P. Boergers,

Secretary.

In consideration of the foregoing, the Commission proposes to amend Parts 125, 225, and 356 Chapter I, Title 18 of the *Code of Federal Regulations*, as follows:

PART 125—PRESERVATION OF RECORDS OF PUBLIC UTILITIES AND LICENSEES.

1. The authority for Part 125 is revised to read as follows:

Authority: 16 U.S.C. 825, 825c, and 825h; 44 U.S.C. 3501 *et seq.*

²⁰ 5 CFR 1320.11.

2. Section 125.1 is revised to read as follows:

§ 125.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by public utilities subject to the jurisdiction of the Commission and by licensees holding licenses issued by the Commission, to the extent and in the manner set forth therein.

3. In § 125.2, paragraphs (a)(1) through (a)(3), and paragraphs (d) through (m) are revised to read as follows:

§ 125.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part apply to all books of account and other records prepared by or on behalf of the public utility or licensee. See item 40 of the schedule (§ 125.3) for those records that come into possession of the public utility or licensee in connection with the acquisition of property, such as purchase, consolidation, merger, etc.

(2) 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.

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

* * * * *

(d) *Record storage media.* Each public utility and licensee has the flexibility to select its own storage media subject to the following conditions.

(1) The storage media must have a life expectancy at least equal to the applicable record retention period provided in § 125.3 unless there is a quality transfer from one media to another with no loss of data.

(2) Each public utility and licensee is required to implement internal control procedures that assure the reliability of, and ready access to, data stored on machine readable media. Internal control procedures must be documented by a responsible supervisory official.

(3) Each transfer of data from one media to another must be verified for accuracy and documented. Software and hardware required to produce readable records must be retained for the same period the media format is used.

(e) *Destruction of records.* At the expiration of the retention period, public utilities and licensees may use

any appropriate method to destroy records.

(f) *Premature destruction or loss of records.* When records are destroyed or lost before the expiration of the prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed and describing the circumstances of accidental or other premature destruction or loss must be filed with the Commission within ninety (90) days from the date of discovery of the destruction.

(g) *Schedule of records and periods of retention.* (1) Records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by the regulatory commission having jurisdiction. If the plant is sold, the associated records or copies thereof, must be transferred to the new owners.

(2) Records related to hydroelectric facilities and additions, retirements, and betterments thereto must be retained until:

(i) The Commission has determined the actual legitimate original cost of the facilities, or the licenses are surrendered. If the plant is sold, the associated records or copies thereof, must be transferred to the new owners.

(ii) Records related to the determination of amortization reserves pursuant to Section 10(d) of the Federal Power Act must be retained until a final determination and adjudication of the amortization reserves are made.

(h) *Retention periods designated "Destroy at option".* "Destroy at option" constitutes authorization for destruction of records at managements' discretion if it does not conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

(i) *Records of services performed by associated companies.* Public utilities and licensees must assure the availability of records of services performed by and for associated or affiliated companies with supporting cost information for the periods indicated in § 125.3 as necessary to be able to readily furnish detailed information as to the nature of the transaction, the amounts involved, and the accounts used to record the transactions.

(j) *Index of records.* Public utilities and licensees must arrange, file, and index records so records may be readily

identified and made available to Commission representatives.

(k) *Rate case.* Notwithstanding the minimum retention periods provided in these regulations, if public utilities or licensee wants to reflect costs in a current, future, or pending rate case, or if a public utilities or licensees has abandoned or retired a plant subsequent to the test period of the utility's rate case, the utility must retain the appropriate records to support the costs and adjustments proposed in the current or next rate case.

(l) *Pending complaint litigation or governmental proceedings.* Notwithstanding the minimum requirements, if a public utility or licensee is involved in pending litigation, complaint procedures, proceedings remanded by the court, or governmental proceedings, it must retain all relevant records.

(m) *Life or mortality study data.* Life or mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired, whichever is longer.

* * * * *

4. Section 125.3 is revised to read as follows:

Section 125.3 Schedule of records and periods of retention.

Table of Contents

Corporate and General

1. Reports to stockholders.
2. Organizational documents.
3. Contracts and agreements.
4. Accountants' and auditors' reports.

Information Technology Management

5. Automatic data processing records.

General Accounting Records

6. General and subsidiary ledgers.
7. Journals: General and subsidiary.
8. Journal vouchers and entries.
9. Cash books.
10. Voucher registers.
11. Vouchers.

Insurance

12. Insurance records.

Operations and Maintenance

- 13.1 Production—Public utilities and licensees (less nuclear).
- 13.2 Production—Nuclear.
14. Transmission and distribution—Public utilities and licensees.
15. Maintenance work and job orders.

Plant and Depreciation

16. Plant ledgers.
17. Construction work in progress ledgers.
18. Retirement work in progress ledgers.
19. Summary sheets.
20. Appraisals and valuations.
21. Engineering records.
22. Contracts.

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| 23. Reclassification of utility plant account records. | <i>Revenue Accounting and Collection</i> | <i>Treasury</i> |
| 24. Accumulated depreciation and depletion of utility plant account records. | 29. Customers' service applications and contracts. | 35. Statements of funds and deposits. |
| <i>Purchase and Stores</i> | 30. Rate schedules. | 36. Records of deposits with banks and others. |
| 25. Procurement. | 31. Maximum demand and demand meter record cards. | <i>Miscellaneous</i> |
| 26. Material ledgers. | 32. Miscellaneous billing data. | 37. Reserve. |
| 27. Materials and supplies received and issued. | 33. Revenue summaries. | 38. Statistics. |
| 28. Records of sales of scrap and materials and supplies. | <i>Tax</i> | 39. Budgets and other forecasts. |
| | 34. Tax records. | 40. Records of predecessors and former associates. |
| | | 41. Reports to Federal and State regulatory commissions. |
| | | 42. Advertising. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION

| Item No. | Description | Retention period |
|--|--|--|
| CORPORATE AND GENERAL | | |
| 1 | Reports to stockholders: Annual reports or statements to stockholders. | 5 years. |
| 2 | Organizational documents: (a) Minute books of stockholders', directors', and directors' committee meetings. (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the utility. | 5 years or termination of the corporation's existence, whichever occurs first. 6 years after final non-appealable order. |
| 3 | Contracts, including amendments and agreements (except contracts provided for elsewhere): (a) Service contracts, such as for management, accounting, and financial services. (b) Contracts with others for transmission or the purchase, sale or interchange of product. (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts. (d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts, and payments under such contracts. | All contracts, related memoranda, and revisions should be retained for 3 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later. All contracts, related memoranda, and revisions should be retained for 4 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later. For the same periods as contracts to which they relate. For the same periods as contracts to which they relate. |
| 4 | Accountants' and auditors' reports: (a) 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 commission accountants). (b) Internal audit reports and working papers | 5 years after the date of the report. 5 years after the date of the report. |
| INFORMATION TECHNOLOGY MANAGEMENT | | |
| 5 | Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule): Program documentation and revisions thereto. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. |
| GENERAL ACCOUNTING RECORDS | | |
| 6 | General and subsidiary ledgers: (a) Ledgers: (1) General ledgers (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere. (b) Indexes: (1) Indexes to general ledgers (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere. (c) Trial balance sheets of general and subsidiary ledgers | 25 years. 25 years. 25 years. 25 years. 2 years. |
| 7 | Journals: General and subsidiary. | 25 years. |
| 8 | Journal vouchers and journal entries including supporting detail (a) Journal vouchers and journal entries (b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries: (1) Charging plant accounts (2) Charging all other accounts | 25 years. 25 years. 6 years. |
| 9 | Cash books: General and subsidiary or auxiliary books | 5 years after close of fiscal year. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|-----------------------------------|---|---|
| 10 | Voucher registers: Voucher registers or similar records when used as a source document. | 5 years. |
| 11 | Vouchers: (a) Paid and cancelled vouchers (one copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers). (b) Original bills and invoices for materials, services, etc., paid by vouchers. (c) Paid checks and receipts for payments of specific vouchers (d) Authorization for the payment of specific vouchers (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills. (f) Voucher indexes | 5 years. 5 years. 5 years. 5 years. Destroy at option. Destroy at option. |
| INSURANCE | | |
| 12 | Insurance records: (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers. | Destroy at option after expiration of such policies. 6 years. |
| OPERATIONS AND MAINTENANCE | | |
| 13.1 | Production—Electric (less Nuclear): (a) Boiler-tube failure report (b) Generation and output logs with supporting data: (1) Hydro-electric (2) Steam and others (c) Generating high-tension and low-tension load records (d) Load curves, temperature logs, coal, and water logs (e) Gauge-reading reports (f) Recording instrumentation charts | 3 years. 3 years. 25 years. 6 years. 3 years. 3 years. 2 years, except river flow data collected in connection with hydro operation must be retained for life of corporation. 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained 1 year. |
| 13.2 | Production—Nuclear: For informational purposes, refer to the document retention requirements of the Nuclear Regulatory Commission. | |
| 14 | Transmission and distribution—Electric: (a) Substation and transmission line logs (b) System operator's daily logs and reports of operation (c) Transformer history records (d) Records of transformer inspections, oil tests, etc | 3 years. 3 years. For life of transformer. Destroy at option. |
| 15 | Maintenance work orders and job orders: (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred. (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. (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts). | 5 years. 5 years. 5 years. |
| PLANT AND DEPRECIATION | | |
| 16 | Plant ledgers: (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes. (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned. | 25 years. 25 years. |
| 17 | Construction work in progress ledgers, work orders, and supplemental records: (a) Construction work in progress ledgers | 5 years after clearance to plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|----------|---|---|
| | (b) Work orders 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. | 5 years after clearance to plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations). | 5 years after clearance to plant account except where there are ongoing Commission proceedings. |
| | (d) Requisitions and registers of authorizations for utility plant expenditures. | 5 years after clearance to plant account except where there are ongoing Commission proceedings. |
| | (e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions. | 5 years after clearance to plant account except where there are ongoing Commission proceedings. |
| | (f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project. | 5 years after clearance to plant account except where there are ongoing Commission proceedings. |
| | (g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts. | Destroy at option. |
| 18 | Retirement work in progress ledgers, work orders, and supplemental records: | |
| | (a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retirement. | 5 years after plant is retired. |
| | (b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs.. | 5 years after plant is retired. |
| 19 | (c) Registers of retirement work. | 5 years. |
| | 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. | 5 years. |
| 20 | Appraisals and valuations: | |
| | (a) Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto.). | 3 years after appraisal. |
| | (b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of: | |
| | (1) Mergers or acquisitions | 10 years after completion of transaction or as ordered by the Commission. |
| | (2) Asset impairments | 10 years after recognition of asset impairment. |
| | (3) Other bases | 10 years after the asset was written up or down. |
| 21 | The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed utility facilities: Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies, and similar records showing the location of proposed or as-constructed facilities: | Retain until retired. |
| 22 | Contracts relating to utility plant: | |
| | (a) Contracts relating to acquisition or sale of plant | 6 years after plant is retired or sold. |
| | (b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work). | 6 years after plant is retired or sold. |
| 23 | Records pertaining to reclassification of utility plant accounts to conform to prescribed systems of accounts including supporting papers showing the basis for such reclassifications. | 6 years. |
| 24 | Records of accumulated provisions for depreciation and depletion of utility plant and supporting computation of expense: | |
| | (a) Detailed records or analysis sheets segregating the accumulated depreciation according to functional classification of plant. | 25 years. |
| | (b) Records reflecting the service life of property and the percentage of salvage and cost of removal for property retired from each account for depreciable utility plant. | 25 years. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|--|---|--|
| PURCHASES AND STORES | | |
| 25 | Procurement: (a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set forth in Subsection 7 such as but not limited to: Letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements, and the various types of purchase orders: (1) For goods or services relating to plant construction (2) For other goods or services (b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement. | 6 years. 6 years. 6 years. |
| 26 | Material ledgers: Ledger sheets of materials and supplies received, issued, and on hand. | 6 years after the date the records/ledgers were created. |
| 27 | Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods. | 6 years. |
| 28 | Records of sales of scrap and materials and supplies: (a) Authorization for sale of scrap and materials and supplies .. (b) Contracts for sale of scrap materials and supplies | 3 years. 3 years. |
| REVENUE ACCOUNTING AND COLLECTION | | |
| 29 | Customers' service applications and contracts: Contracts, including amendments for extensions of service, for which contributions are made by customers and others. | 4 years after expiration. |
| 30 | Rate schedules: General files of published rate sheets and schedules of utility service. Including schedules suspended or superseded. | 6 years after published rate sheets and schedules are superseded or no longer used to charge for utility service. |
| 31 | Maximum demand, and demand meter record cards | 1 year, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 1 year. |
| 32 | Miscellaneous billing data: Billing department's copies of contracts with customers (other than contracts in general files). | Destroy at option. |
| 33 | Revenue summaries: Summaries of monthly operating revenues according to classes of service. Including summaries of forfeited discounts and penalties. | 5 years. |
| TAX | | |
| 34 | Tax records: (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements: (1) Income tax returns (2) Property tax returns (3) Sales and other use taxes (4) Other taxes (5) Agreements between associate companies as to allocation of consolidated income taxes. (6) Schedule of allocation of consolidated Federal income taxes among associate companies. (b) Filings with taxing authorities to qualify employee benefit plans. (c) Information returns and reports to taxing authorities | 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years. 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years after final tax liability is determined. 5 years after discontinuance of plan. 3 years after final tax liability is determined. |
| TREASURY | | |
| 35 | Statements of funds and deposits: (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund (c) Statements prepared by fund administrator or trustees of fund activity including: | For nuclear decommissioning funds, retain records for all items listed for a period of 3 years after completion of final decommissioning is completed. If amortization reserve funds related to licensed projects are maintained, retain until the Commission makes a final determination of the disposition of amortization reserves. Retain records for the most recent 3 years. Retain records for the most recent 3 years. Retain records until the fund is dissolved or terminated. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|----------|---|---|
| 36 | (1) Beginning of the year balance of fund; (2) Deposits with the fund; (3) Acquisition of investments held by the fund; (4) Disposition of investments held by the fund; (5) Disbursements from the fund, including party to whom disbursement was made; (6) End of year balance of fund. (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. (b) Check stubs, registers, or other records of checks issued ... | Records of deposits with banks and others: Destroy at option after completion of audit by independent accountants. 3 years. |

MISCELLANEOUS

| | | |
|----------|---|---|
| 37 | Reserve | |
| 38 | Statistics: Financial, operating and statistical reports used for internal administrative or operating purposes. | 5 years. |
| 39 | Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations, including acquisitions and disposals of properties or investments. | 3 years. |
| 40 | Records of predecessor companies | Retain consistent with the requirements for the same types of records of the utility. |
| 41 | Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports. | 5 years. |
| 42 | Advertising: Copies of advertisements by or for the company on behalf of itself or any associate company in newspapers, magazines, and other publications, including costs and other records relevant thereto (excluding advertising of appliances, employment opportunities, routine notices, and invitations for bids all of which may be destroyed at option). | 2 years. |

PART 225—PRESERVATION OF RECORDS OF NATURAL GAS COMPANIES

5. The authority for Part 225 is revised to read as follows:

Authority: 15 U.S.C. 717–717w, 3301–3432; 16 U.S.C. 792–828c; 42 U.S.C. 7101–7352; E. O. 12009, 3 CFR 1978 Comp. p. 142.

6. Section 225.1 is revised to read as follows:

§ 225.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by natural gas companies subject to the jurisdiction of the Commission, to the extent and in the manner set forth therein.

7. In § 225.2, paragraphs (a)(1) through (a)(3) and paragraphs (d) through (m) are revised to read as follows:

§ 225.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part must apply to all books of account and other records prepared by or on behalf of the natural gas company. See item 40 of the schedule for those records that come into possession of the natural gas company in connection with the

acquisition of property, such as purchases, consolidation, merger, etc.

(2) 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 for periods longer than those prescribed in this part.

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

* * * * *

(d) *Record storage media.* Each natural gas company has the flexibility to select its own storage media subject to the following conditions.

(1) The storage media must have a life expectancy at least equal to the applicable record retention period provided in § 225.3 unless there is a quality transfer from one media to another with no loss of data.

(2) Each natural gas company is required to implement internal control procedures that assure the reliability of and ready access to data stored on machine readable media. Internal control procedures must be documented by a responsible supervisory official.

(3) Each transfer of data from one media to another must be verified for accuracy and documented. Software and hardware required to produce readable records must be retained for the same period the media format is used.

(e) *Destruction of records.* At the expiration of the records retention period, natural gas companies may use any appropriate method to destroy records.

(f) *Premature destruction or loss of records.* When records are destroyed or lost before the expiration of the prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed and describing the circumstances of accidental or other premature destruction or loss must be filed with the Commission within ninety (90) days from the date of discovery of the destruction.

(g) *Schedule of records and periods of retention.* (1) Records related to plant in service must be retained until the facilities are permanently removed from service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by the

regulatory commission having jurisdiction. If the plant is sold, the associated records or copies thereof, must be transferred to the new owners.

(2) Records related to additions, retirements, and betterments thereto must be retained until the Commission has determined the actual legitimate original cost of the facilities.

(h) *Retention periods designated "Destroy at option"*. "Destroy at option" constitutes authorization for destruction of records at managements' discretion if it does not conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

(i) *Records of services performed by associated companies*. The natural gas companies must assure the availability of records of services performed by associated or affiliated companies with supporting cost information for the periods indicated in § 225.3 as necessary to be able to readily furnish detailed information as to the nature of the transaction, the amounts involved, and the accounts used to record the transactions.

(j) *Index of records*. Natural gas companies must arrange, file, and index records so they may be readily identified and made available to Commission representatives.

(k) *Rate case*. Notwithstanding the minimum retention periods provided in these regulations, if a natural gas company intends to reflect costs in a current, pending, or future rate case, or if a natural gas company has abandoned or retired a plant subsequent to the test period of its last rate case, it must retain all relevant records.

(l) *Pending complaint litigation or governmental proceeding*. Notwithstanding the minimum requirements, if a natural gas company is involved in pending litigation, complaint procedures, proceedings remanded by the court, or governmental proceedings, it must retain all relevant records.

(m) *Life or mortality study data*. Life or mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired whichever is longer.

* * * * *

8. Section 225.3 is revised to read as follows:

§ 225.3 Schedule of records and periods of retention.

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SCHEDULE OF RECORDS AND PERIODS OF RETENTION

| Item No. | Description | Retention period |
|------------------------------|--|---|
| CORPORATE AND GENERAL | | |
| 1 | Reports to stockholders: Annual reports or statements to stockholders. | 5 years. |
| 2 | Organizational documents: (a) Minute books of stockholders', directors', and directors' committee meetings. (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the natural gas company. | 5 years or termination of the corporation's existence, whichever occurs first. 6 years after final non-appealable order. |
| 3 | Contracts including amendments and agreements (except contracts provided for elsewhere): (a) Service contracts, such as for management, accounting, and financial services. (b) Contracts with others for transportation or for the purchase, sale or interchange of product. (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts. | 6 years. All contracts, related memoranda, and revisions should be retained for 4 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later. For the same periods as contracts to which they relate. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|--|--|--|
| 4 | (d) Card or book records of contracts, leases, and agreements made that show dates of expirations, renewals, memoranda of receipts, and payments under such contracts. Accountants' and auditors' reports: (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the natural gas company (such as reports of public accounting firms and Commission accountants). (b) Internal audit reports and working papers | For the same periods as contracts to which they relate. 5 years after the date of the report. 5 years after the date of the report. |
| INFORMATION TECHNOLOGY MANAGEMENT | | |
| 5 | Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule): Program documentation and revisions thereto. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. |
| GENERAL ACCOUNTING RECORDS | | |
| 6 | General and subsidiary ledgers: (a) Ledgers: (1) General ledgers (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere. (b) Indexes: (1) Indexes to general ledgers (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere. (c) Trial balance sheets of general and subsidiary ledgers | 25 years. 25 years. 25 years. 25 years. 2 years. |
| 7 | Journals: General and subsidiary | 25 years. |
| 8 | Journal vouchers and journal entries including supporting detail: (a) Journal vouchers and journal entries (b) Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries: (1) Charging plant accounts (2) Charging all other accounts | 25 years. 25 years. 6 years. |
| 9 | Cash books: General and subsidiary or auxiliary books | 5 years after close of fiscal year. |
| 10 | Voucher registers: Voucher registers or similar records when used as a source document. | 5 years. |
| 11 | Vouchers: (a) Paid and cancelled vouchers (1 copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers). (b) Original bills and invoices for materials, services, etc., paid by vouchers. (c) Paid checks and receipts for payments of specific vouchers. (d) Authorization for the payment of specific vouchers (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills. (f) Voucher indexes | 5 years. 5 years. 5 years. 5 years. Destroy at option. Destroy at option. |
| INSURANCE | | |
| 12 | Insurance records: (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers. | Destroy at option after expiration. 6 years. |
| OPERATIONS AND MAINTENANCE | | |
| 13 | Production—Gas: (a) Recording instrument charts such as pressure (static and/or differential), temperature, specific gravity, heating value, etc. (b) Test of heating value at stations and outlying points | If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|------------|---|--|
| | (c) Records of gas produced, out, and holder stock (d) Analysis of (gas produced) B.T.U. and sulphur content. (e) Well records, including clearing, bailing, shooting etc., records; rock pressure; open flow; production, gas analysts' reports etc.. (f) Gas measuring records | If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. |
| 14 | Transmission and distribution—Gas: (a) Substation and transmission line logs (b) System operator's daily logs and reports of operation (c) Gas measuring records (d) Transmission line operating reports (e) Compression operation and reports (f) Recording instrument charts such as pressure (static and/or differential), temperature, specific heating value, etc. | If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. If the measurement data have not been disputed or adjusted, destroy after 7 months. |
| 14.1 | Underground storage of natural gas: (a) Well records, reports, and logs which include data relating to pressures, injected volumes, withdrawn volumes, core analysis, daily volumes of gas injected into and withdrawn from reservoir, cushion, and working gas volumes for each reservoir. | 1 year after reservoir, field, or relevant storage area is abandoned. |
| | (b) Records containing information relating to reservoir gas leakage, showing the total gas leakage, and recycled gas. | 1 year after reservoir, field, or relevant storage area is abandoned. |
| | (c) Records on back pressure tests field data | 1 year or until superseded. |
| | (d) Records on back pressure test results, gas analysis | 1 year or until superseded. |
| 15 | Maintenance work orders and job orders: | |
| | (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred. | 5 years. |
| | (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 natural gas company operations. | 5 years. |
| | (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts). | 5 years. |

PLANT AND DEPRECIATION

| | | |
|----------|---|---|
| 16 | Plant ledgers: | |
| | (a) Ledgers of natural gas company's plant accounts including land and other detailed ledgers showing the cost of plant by class. | 25 years. |
| | (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of natural gas plant owned. | 25 years. |
| 17 | Construction work in progress ledgers: | |
| | (a) Construction work in progress ledgers | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (b) Work order sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for natural gas company's plant additions and the entries closing the work orders to plant in service at completion. | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (c) Authorizations for expenditures for additions to natural gas company plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations). | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (d) Requisitions and registers of authorizations for natural gas company plant expenditures. | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for natural gas company plant additions. | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|----------|---|---|
| | (f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project. | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. |
| | (g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts. | Destroy at option. |
| 18 | Retirement work in progress ledgers, work orders, and supplemental records: | 1 year after field or well is abandoned. |
| | (a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to natural gas company plant accounts for cost of plant retirement. | 5 years after plant is retired. |
| | (b) Authorizations for retirement of natural gas company plant, including memoranda showing the basis for determination of cost of plant to be retired, and estimates of salvage and removal costs. | 5 years after plant is retired. |
| 19 | (c) Registers of retirement work | 5 years. |
| | Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to natural gas company plant accounts not covered by construction or retirement work orders and their supporting records. | 5 years. |
| 20 | Appraisals and valuations: | 3 years after appraisal. |
| | (a) Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. Includes all records essential thereto. | 10 years after completion of transaction or as ordered by the Commission. |
| | (b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of: | 10 years after recognition of asset impairment. |
| | (1) Mergers or acquisitions | 10 years after the asset was written up or down. |
| | (2) Asset impairments | Retained until retired or abandoned. |
| 21 | (3) Other bases | |
| | The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed gas facilities: Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies, and similar records showing the location of proposed or as-constructed facilities. | |
| 22 | Contracts relating to natural gas plant: | 6 years after plant is retired or sold. |
| | (a) Contracts relating to acquisition or sale of plant | 6 years after plant is retired or sold. |
| | (b) The primary records of gas acreage owned, leased or optioned excluding deeds and leases but including such records as lease sheets, leasehold cards, and option agreements. | |
| 23 | Records pertaining to reclassification of natural gas plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications. | 6 years. |
| 24 | Records of accumulated provisions for depreciation and depletion of gas plant and supporting computation of expense: | 25 years. |
| | (a) Detailed records or analysis sheets segregating the accumulated depreciation according to functional classification of plant. | 25 years. |
| | (b) Records reflecting the service life of property and the percentage of salvage and cost of removal for property retired from each account for depreciable natural gas plant. | |

PURCHASES AND STORES

| | | |
|----|---|----------|
| 25 | Procurement: | |
| | (a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set forth in Subsection 7 such as but not limited to: letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements, and the various types of purchase orders: | |
| | (1) For goods or services relating to plant construction | 6 years. |
| | (2) For other goods or services | 6 years. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|----------|--|--|
| | (b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement. | 6 years. |
| 26 | Material ledgers: ledger sheets of materials and supplies received, issued, and on hand. | 6 years after the date records/ledgers were created. |
| 27 | Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods. | 6 years. |
| 28 | Records of sales of scrap and materials and supplies: (a) Authorization for sale of scrap and materials and supplies.. (b) Contracts for sale of scrap a materials and supplies | 3 years. 3 years. |

REVENUE ACCOUNTING AND COLLECTION

| | | |
|----------|---|--|
| 29 | Customers' service applications and contracts: Contracts, including amendments for extensions of service, for which contributions are made by customers and others. | 4 years after expiration. |
| 30 | Rate schedules: General files of published rate sheets and schedules of natural gas company service (including schedules suspended or superseded). | 6 years after published rate sheets and schedules are superseded or no longer used to charge for services. |
| 31 | Maximum demand, pressure, temperature, and specific gravity charts and demand meter record card. | If the measurement data have not been disputed or adjusted, destroy after 7 months. |
| 32 | Miscellaneous billing data: Billing department's copies of contracts with customers (other than contracts in general files). | Destroy at option. |
| 33 | Revenue summaries: Summaries of monthly operating revenues according to classes of service. Including summaries of forfeited discounts and penalties. | 5 years. |

TAX

| | | |
|----------|---|---|
| 34 | Tax records: (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements: (1) Income tax returns (2) Property tax returns (3) Sales and other use taxes (4) Other taxes (5) Agreements between associate companies as to allocation of consolidated income taxes. (6) Schedule of allocation of consolidated Federal income taxes among associate companies. (b) Filings with taxing authorities to qualify employee benefit plans. (c) Information returns and reports to taxing authorities | 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years. 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years after final tax liability is determined. 5 years after discontinuance of plan. 3 years after final tax liability is determined. |
|----------|---|---|

TREASURY

| | | |
|----------|---|--|
| 35 | Statements of funds and deposits: (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund (c) Statements prepared by fund administrator or trustees of fund activity including: (1) Beginning of the year fund balance; (2) Deposits with the fund; (3) Acquisition of investments held by the fund; (4) Disposition of investments held by the fund; (5) Disbursements from the fund, including party to whom disbursement was made; and, (6) End of year fund balance | Retain records for the most recent 3 years. Retain records for the most recent 3 years. Retain records until the fund is dissolved or terminated. |
| 36 | Records of deposits with banks and others: (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. (b) Check stubs, registers, or other records of checks issued .. | Destroy at option after completion of audit by independent accountants. 3 years. |
| 37 | Records of receipts and disbursements: (a) Daily or other periodic statements of fund receipts or disbursements. (b) Records or periodic statements of outstanding vouchers, checks, drafts, etc., issued and not presented. | Destroy at option after completion of annual audit by independent accountants. Destroy at option after completion of annual audit by independent accountants. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|----------------------|---|--|
| | (c) Reports of associates showing working fund transactions and summaries thereof. (d) Reports of revenue collections by field cashiers, pay stations, etc. | Destroy at option after completion of annual audit by independent accountants. Destroy at option after completion of annual audit by independent accountants. |
| MISCELLANEOUS | | |
| 38 | Statistics: Financial, operating, and statistical reports used for internal administrative or operating purposes. | 5 years. |
| 39 | Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts, and expenditures in connection with financing, construction and operations, including acquisitions and disposals of properties or investments. | 3 years. |
| 40 | Records of predecessor companies | Retain consistent with the requirements for the same types of records of the natural gas company. |
| 41 | Reports to Federal and State regulatory commissions including annual financial, operating, and statistical reports. | 5 years. |
| 42 | Advertising: Copies of advertisements by or for the company on behalf of itself or any associate company in newspapers, magazines, and other publications, including costs and other records relevant thereto (excluding advertising of appliances, employment opportunities, routine notices, and invitations for bids all of which may be destroyed at option). | 2 years. |

9. Part 356 is revised to read as follows:

PART 356—PRESERVATION OF RECORDS FOR OIL PIPELINE COMPANIES

Sec.

356.1 Promulgation

356.2 General instructions.

356.3 Preservation of records for oil pipeline companies.

Authority: 42 U.S.C. 7101–7352; 49 U.S.C. 1–27; E.O. 12009, 3 CFR 1978 Comp. p. 142.

§ 356.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by oil pipeline companies subject to the jurisdiction of the Commission, to the extent and in the manner set forth therein. This part is applicable as of the date the oil pipeline company becomes subject to the jurisdiction of the Commission.

§ 356.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part apply to all books of account and other records prepared by or on behalf of the oil pipeline companies.

(2) The regulations in this part must 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.

(3) To the extent that any Commission regulations may provide for a different retention period, the records should be

retained for the longer of the retention periods.

(4) Unless otherwise specified in the schedule in § 356.3, duplicate copies of records may be destroyed at any time. Provided, however, that such duplicate copies must not contain significant information not shown on the originals.

(5) Records other than those listed in the schedule may be destroyed at the option of the oil pipeline company. Provided, however, that records which are used in lieu of those listed must be preserved for the periods prescribed for the records used for substantially similar purposes and that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, must conform to the principles embodied herein.

(6) Notwithstanding the provision of the records retention schedule, the Commission may, upon request of the oil pipeline company, authorize shorter retention periods for any records listed in § 356.3. The oil pipeline companies must show that the longer retention periods are no longer necessary or appropriate to protect the public interest, investors, or consumers. A waiver from any provision of these regulations may be made by the Commission upon its own initiative or upon submission of a written request by the company. Each request for waiver must demonstrate that unusual circumstances warrant a departure from prescribed retention periods, procedures, or techniques, or that compliance with such prescribed

requirements would impose an unreasonable burden on the company.

(b) *Designation of supervisory official.* Each oil pipeline company subject to the provision of this Part must designate one or more persons to supervise the oil pipeline company's program for preservation and authorized destruction of records.

(c) *Protection and storage of records.* Each oil pipeline company subject to these regulations must provide reasonable protection for records. The records must have protections from fire, floods, and other hazards. Storage spaces, will also prevent unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

(d) *Record storage media.* (1) Each oil pipeline company has the flexibility to select its own storage media.

(2) The storage media must have a life expectancy at least equal to the applicable record retention period provided in § 356.3 unless there is a quality transfer from one media to another with no loss of data.

(3) Each oil pipeline company is required to implement internal control procedures that assure the reliability of and ready access to data stored on machine readable media. Internal control procedures must be documented by a responsible supervisory official.

(e) *Destruction of records.* Oil pipeline companies may use any appropriate method to destroy permitted records.

(f) *Premature destruction or loss of records.* When records are destroyed or lost before the expiration of the

prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed, and describing the circumstances of accidental or other premature destruction or loss must be filed with the Commission within ninety (90) days from the date of discovery of such destruction.

(g) *Retention periods designated "Destroy at option".* "Destroy at option" constitutes authorization for destruction of records at managements' discretion if it does not conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory action or directives.

(h) *Records of services performed by associated companies.* Oil pipeline companies must assure the availability of records of services performed by associated companies for the periods indicated in § 356.3 as necessary to be able to readily furnish detailed information as to the nature of transaction, the involved, and the accounts used to record the transactions.

(i) *Index of records.* Oil pipeline companies must arrange, file, and index records so they may be readily identified and made available to Commission representatives.

(j) *Rate case.* The schedule of records in § 356.3 shows the periods of time that designated records must be preserved. However, notwithstanding the minimum retention periods provided in this regulation, if an oil pipeline company intends to reflect costs in a current, pending, or future rate case, or

if an oil pipeline company has abandoned or retired plant subsequent to the test period of its last rate case, it must retain the appropriate records to support the costs, and adjustments proposed in the next or current rate case.

(k) *Pending complaint litigation or governmental proceeding.* Notwithstanding the minimum requirements, if an oil pipeline company is involved in pending litigation, complaint proceedings, proceedings remanded by the court, or governmental proceedings, it must retain all relevant records.

(l) *Companies going out of business.* The records referred to in these regulations may be destroyed after business is discontinued and the company is completely liquidated. The records may not be destroyed until dissolution is final and all transactions are completed. When a company is merged with another company under jurisdiction of the Commission, the successor company must preserve records of the merged company in accordance with this part.

(m) *Life or mortality study data.* Life or mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired.

§ 356.3 Preservation of records for oil pipeline companies.

Table of Contents

Corporate and General

- 1. Incorporation and reorganization
- 2. Minutes to directors'

- 3. Titles, franchises, and authorities.
- 4. Contracts and agreements.
- 5. Accountant's, auditor's, and inspector's reports.

Treasury

- 6. Long-term debt records.

Financial Accounting

- 7. Ledgers.
- 8. Journals.
- 9. Vouchers.
- 10. Accounts receivable.
- 11. Records of accounting codes and instructions.

Property and Equipment

- 12. Property records.
- 13. Engineering records.

Personnel and Payroll

- 14. Payroll records.
- 15. Copies of returns and schedules.
- 16. Information returns.

Purchase and Stores

- 17. Material ledger.
- 18. Inventories.

Transportation

- 19. Oil and other products stocks.

Tariffs and Rates

- 20. Official file copies of tariffs.
- 21. Authorities and supporting papers for transportation.
- 22. Copies of concurrences and powers of attorney.
- 23. Correspondence and working papers in connection with the making of rates.

Reports and Statistics

- 24. Reports to Federal Energy Regulatory Commission and other regulatory bodies.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION

| Item No. | Description | Retention period |
|------------------------------|--|---|
| CORPORATE AND GENERAL | | |
| 1 | Incorporation and reorganization: (a) Charter of certificate of incorporation and amendments (b) Legal documents related to mergers, consolidations, reorganizations, receiverships, and similar actions which effect the identity or organization of the company. | Permanently or at termination of the corporation's existence. Permanently or at termination of the corporation's existence |
| 2 | Minutes to Directors', Executive Committees', Stockholders', and other corporate meetings. | 5 years. |
| 3 | Titles, franchises, and authorities: (a) Certificates of public convenience and necessity issued by regulating bodies. (b) Operating authorizations and exemptions to operate issued by regulating bodies. (c) Copies of formal orders of regulatory bodies served upon the company. (d) Deeds, charters, and other title papers | Until expiration or cancellation. Until expiration or cancellation. 1 year after expiration or cancellation. 3 years after disposition of property. |
| 4 | Contracts and agreements: (a) Contracts and related papers for transactions which are subject to the provisions of the Clayton Antitrust Act (15 USC 20). (b) Service contracts, such as for operational management, accounting, financial or legal service, and agreements with agents. | 4 years after expiration, provided there is no pending litigation or governmental inquiry or proceeding involved. 3 years after expiration or termination. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|-------------------------------|--|--|
| 5 | (c) Contracts and other agreements relating to the construction, acquisition or sale of real property and equipment except as otherwise provided in (a) above. Accountant's, auditor's, and inspector's reports: (a) Certifications and reports of examinations and audits conducted by public and certified public accountants. (b) Reports of examinations and audits conducted by internal auditors, time inspectors, weight inspectors, and others. | 3 years after expiration or termination. 3 years. 3 years. |
| TREASURY | | |
| 6 | Long-term debt records: (a) Bond indentures, underwriting, mortgage, and other long-term credit agreements. | 6 years after redemption. |
| FINANCIAL ACCOUNTING | | |
| 7 | Ledgers: (a) General and subsidiary ledgers with indexes thereto | 3 years. 3 years. |
| 8 | Journals: (a) General journals | 3 years. 3 years. |
| 9 | Vouchers: (a) Voucher registers or equivalent | Until superseded. 5 years. 5 years. |
| 10 | Accounts receivable, record, or register of accounts receivable | 3 years after settlement. |
| 11 | Records of accounting codes and instructions | 3 years after discontinuance. |
| PROPERTY AND EQUIPMENT | | |
| 12 | Property records: (a) Records which maintain complete information on cost or other value of all real property or equipment. (b) Records and additions and betterments made to property and equipment. (c) Records pertaining to retirements and replacements of property and equipment. (d) Records pertaining to depreciation: (1) When group method and depreciation rates are prescribed by the Commission. (2) Other | 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. |
| 13 | Engineering records: (a) Plans and specifications | Destroy at option. 3 years after disposition of property. 3 years after disposition of property. 3 years after prior inventory. 3 years after the disposition of the property. 15 years. |
| PERSONNEL AND PAYROLL | | |
| 14 | Payroll records: (a) Registers, abstracts, or summaries showing earnings, deductions, and amounts paid to each employee by pay periods. | 3 years. |
| | (b) Records showing the detailed distribution of salaries and wages to various accounts. | 3 years. |

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

| Item No. | Description | Retention period |
|-------------------------------|--|---|
| TAXES | | |
| 15 | Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 9(b) for vouchers evidencing disbursements: (a) Income tax returns (b) Property tax returns (c) Sales and other use taxes (d) Other taxes (e) Agreements between associate companies as to allocation of consolidated income taxes. (f) Schedule of allocation of consolidated Federal income taxes among associate companies. | 3 years after final tax liability is determined. 3 years after final tax liability is determined. 3 years final tax liability is determined. 3 years after final tax liability is determined 3 years after final tax liability is determined. |
| 16 | Information returns and reports to taxing authorities | 3 years, or for the period of any extensions granted for audits. |
| PURCHASE AND STORES | | |
| 17 | Material ledger, records of material and supplies on hand at all locations. | 2 years. |
| 18 | Inventories: General Inventories of material and supplies on hand, with record of adjustments between accounts required to bring stores records into agreement with physical inventories. | 2 years. |
| TRANSPORTATION | | |
| 19 | Oil and other products stocks and movement pipelines only: (a) Records and receipts, deliveries, pumpings, stocks, and over and short. (b) Run tickets showing quantities by tank measurement of meter reading of oil and other products received into the delivered from company's lines. (c) Statements of oil and oil products consumed as fuel including quantity value, and where consumed. (d) Statement of oil and other products lost by line breaks and leaks including quantity, value, and location of breaks and leaks. (e) Reports of power furnished by producers: monthly reports of the quantity of oil run in connection with which power was furnished by producers, and records of payment for such power. (f) Records of producers' property identifying ownership and location for producers' tanks or wells to which carrier's lines are connected. (g) Division or other periodical inventory reports of oil and other products on hand. (h) Division orders: Directions received by carrier as to the division of interest and to whose account transported oil should be credited. (i) Directions received by the carrier for the transfer of division order interests from one interest owner to another. (j) Transfer orders for the transfer of ownership of oil or other products in carrier's custody. | 3 years. 3 years. 3 years. 3 years. 3 years. 3 years after disconnection. 3 years. 3 years after discontinuance. 3 years after discontinuance. 3 years. |
| TARIFFS AND RATES | | |
| 20 | Official file copies of tariffs, classifications, division sheets, and circulars relative to the transportation of property. | 3 years after expiration or cancellation. |
| 21 | Authorities and supporting papers for transportation of property for free or at reduced rates. | 3 years. |
| 22 | Copies of concurrences and powers of attorney | 2 years after expiration or cancellation. |
| 23 | Correspondence and working papers in connection with the making of rates and compliance of tariffs, classifications, division sheets, and circulars affecting the transportation of property. | 2 years after cancellation of tariff. |
| REPORTS AND STATISTICS | | |
| 24 | Reports to Federal Energy Regulatory Commission and other regulatory bodies, annual financial, operating and statistical reports, file copies, and supporting data. | 5 years. |

Note: This Appendix Will Not Appear in The Code of Federal Regulations

Appendix A—Current and Proposed Records Retention Requirements (18 CFR Part 125.3)

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|------------------------------|---|---|--|--|
| CORPORATE AND GENERAL | | | | |
| 1 | Reports to stockholders: Annual reports or statements to stockholders. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever comes first. | 5 years | Remove tie to FERC audit report and set fixed time period. |
| 2 | Organizational documents: (a) Minute books of stockholders', directors', and directors' committee meetings. (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the utility. | 50 years or termination of the corporation's existence, whichever occurs first. 6 years after final non-appealable order. | 5 years or termination of the corporation's existence, whichever occurs first. 6 years after final non-appealable order. | Reduced by 45 years. No change. |
| 3 | Contracts and agreements (except contracts provided for elsewhere): (a) Service contracts, such as for management, accounting and financial services. (b) Contracts with other utilities for the purchase, sale or interchange of product. (c) Memoranda essential to clarifying or explaining provisions of contracts listed above. (d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts and payments under such contracts. | 6 years after expiration or cancellation. See Sec. 125.2(j). 6 years after expiration or cancellation. For the same periods as contracts to which they relate. For the same periods as contracts to which they relate. | All contracts, related memoranda and revisions should be retained for 3 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later. All contracts, related memoranda and revisions should be retained for 4 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later. For the same periods as contracts to which they relate. For the same periods as contracts to which they relate. | Reduced by 3 years. Reduced by 2 years. No change. No change. |
| 4 | Accountants' and auditors' reports: (a) 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 commission accountants). (b) Internal audit reports and work papers. | 7 years after date of report or Commission audit, whichever comes last. 7 years after the date of the report. | 5 years after the date of the report. 5 years after the date of the report. | Reduced by 2 years. Reduced by 2 years. |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|-----------------------------------|--|--|---|--|
| AUTOMATIC DATA PROCESSING | | | | |
| 5 | Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule: Program documentation and revisions thereto. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. | No change. |
| GENERAL ACCOUNTING RECORDS | | | | |
| 6 | General and subsidiary ledgers: (a) Ledgers: (1) General ledgers (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere. (b) Indexes: (1) Indexes to general ledgers. (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere. (c) Trial balance sheets of general and subsidiary ledgers. | 50 years 50 years 50 years 50 years 2 years | 25 years 25 years 25 years 25 years 2 years | Reduced by 25 years. Reduced by 25 years. Reduced by 25 years. Reduced by 25 years. No change. |
| 7 | Journals: General and subsidiary. | 50 years | 25 years | Reduced by 25 years. |
| 8 | Journal vouchers and journal entries including supporting detail: (a) Journal vouchers and journal entries. (b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries: (1) Charging plant accounts. (2) Charging all other accounts. | 50 years 6 years. See Sec. 125.2(j) 6 years | 25 years 25 years 6 years | Reduced by 25 years. Reduced. No change. |
| 9 | Cash books: General and subsidiary or auxiliary books. | 10 years after close of fiscal year. See subsection 12(a). | 5 years after close of fiscal year. | Reduced by 5 years. |
| 10 | Voucher registers: Voucher registers or similar records when used as a source document. | 6 years. See Sec. 125.2(j) | 5 years | Reduced by 1 year. |
| 11 | Vouchers: (a) Paid and canceled vouchers (1 copy—analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers). (b) Original bills and invoices for materials, services, etc., paid by vouchers. (c) Paid checks and receipts for payments of specific vouchers. (d) Authorization for the payment of specific vouchers. (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted and memoranda regarding changes in audited bills. | 6 years. See Sec. 125.2(j) 6 years. See Sec. 125.2(j) 6 years 6 years. See Sec. 125.2(j) Destroy at option | 5 years 5 years 5 years 5 years Destroy at option | Reduced by 1 year. Reduced by 1 year. Reduced by 1 year. Reduced by 1 year. No change. |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|---------------------------|---------------------------------------|---------------------------|--------------------|
| | (f) Voucher indexes | Destroy at option | Destroy at option | No change. |

INSURANCE

| | | | | |
|----------|---|--|---|------------------------------|
| 12 | Insurance records: (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers. | Destroy at option after expiration of such policies. 6 years. See Sec. 125.2(j) | Destroy at option after expiration of such policies. 6 years | No change. No change. |
|----------|---|--|---|------------------------------|

OPERATIONS AND MAINTENANCE

| | | | | |
|------------|---|--|--|---|
| 13.1 | Production—Electric (less Nuclear): (a) Boiler-tube failure report .. (b) Generation and output logs with supporting data. (1) Hydro-electric .. (2) Steam and others .. (c) Generating high-tension and low-tension load records. (d) Load curves, temperature logs, coal, and water logs. (e) Gage-reading reports | 3 years .. 6 years .. 25 years. See Sec. 125.2(j) .. 6 years. See Sec. 125.2(j) .. 3 years .. 3 years .. 2 years, except river flow data collected in connection with hydro operation shall be retained for life of corporation. | 3 years .. 3 years .. 25 years .. 6 years .. 3 years .. 3 years .. 2 years, except river flow data collected in connection with hydro operation shall be retained for life of corporation. | No change. Reduced by 3 years. No change. No change. No change. No change. No change. |
| | (f) Recording instrumentation charts. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained 1 year. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained 1 year. | No change. |
| 13.2 | Production—Nuclear: For informational purposes, refer to the document retention requirements of the Nuclear Regulatory Commission | | | |
| 14 | Transmission and distribution—Electric: (a) Substation and transmission line logs. (b) System operator's daily logs and reports of operation. (c) Transformer history records. (d) Records of transformer inspections, oil tests, etc.. | 3 years .. 3 years .. For life of transformer .. Destroy at option .. | 3 years .. 3 years .. For life of transformer .. Destroy at option .. | No change. No change. No change. No change. |
| 15 | Maintenance work orders and job orders: (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred. | 6 years .. | 5 years .. | Reduced by 1 year. |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|--|--|--------------------------------------|--|
| 18 | (g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts. Retirement work in progress ledgers, work orders, and supplemental records: | Destroy at option | Destroy at option | No change. |
| | (a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retirement. | 10 years after plant is retired. See Note 5. | 5 years after plant is retired | Reduced by 5 years. |
| | (b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination of be retired and estimates of salvage and removal costs. | 10 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired. See Note 5. | 5 years after plant is retired | Reduced by 5 years. |
| 19 | (c) Registers of retirement work. 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 | 10 years | 5 years | Reduced by 5 years. |
| 20 | Appraisals and valuations: (a) Appraisals and valuations made by the company of its properties or investments or the properties or investments of any associated companies. (Includes all records essential thereto.) (b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of: (1) Mergers or acquisitions (2) Asset impairments | 3 years after disposition, termination of lease, or write off of property or investment. | 3 years after appraisal | Replaces previous text. No substantive change. Requirement added. Requirement added. Requirement added. |
| 21 | The original or reproduction of engineering records, drawings and other supporting data for proposed as-constructed utility facilities: (a) Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies and similar records showing the location of proposed or as constructed facilities: | | Retain until retired | Requirement added. |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|--|---|--|---|
| | (b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement. | 6 years. See Sec. 125.2(j) | 6 years | No change. |
| 26 | Material ledgers: Ledger sheets of materials and supplies received, issued, and on hand.. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 6 years after the date the records/ledgers were created. | Removed tie to FERC audit report and set fixed time period. |
| 27 | Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods. | 6 years See Sec. 125.2(j) | 6 years | No change. |
| 28 | Records of sales of scrap and materials and supplies:. | | | |
| | (a) Authorization for sale of scrap and materials and supplies. | 3 years | 3 years | No change. |
| | (b) Contracts for sale of scrap a materials and supplies. | 3 years | 3 years | No change. |

REVENUE ACCOUNTING AND COLLECTION

| | | | | |
|----------|---|--|--|---|
| 29 | Customers' service applications and contracts: Contracts for extensions of service for which contributions are made by customers and others. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 4 years after expiration | Removed tie to FERC audit report and set fixed time period. |
| 30 | Rate schedules: General files of published rate sheets and schedules of utility service. (Including schedules suspended or superseded.). | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 6 years after published rate sheets and schedules are superseded or no longer used to charge for utility service. | Removed tie to FERC audit report and set fixed time period. |
| 31 | Maximum demand, and demand meter record cards. | 1 year, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 1 year. | 1 year, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 1 year. | No change. |
| 32 | Miscellaneous billing data: Billing department's copies of contracts with customers (in addition to contracts in general files). | Destroy at option | Destroy at option | No change. |
| 33 | Revenue summaries: | | | |
| | (a) Summaries of monthly operating revenues according to classes of service by entire utility. | 6 years | 5 years | Reduced by 1 year. |
| | (b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions (Including summaries of forfeited discounts and penalties). | 6 years | Deleted | Deleted. |

TAX

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|----------|--------------|--|--|--|
| 34 | Tax records: | | | |
|----------|--------------|--|--|--|

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|---|--|--|--|
| | (a) Copies of returns and schedules filed with taxing authorities, supporting work papers, records of appeals tax bills and receipts for payment (See Subsection 15(b) for vouchers evidencing disbursements): (1) Income tax returns (2) Property tax returns (3) Sales and other use taxes. (4) Other taxes (5) Agreements between associate companies as to allocation of consolidated income taxes. (6) Schedule of allocation of consolidated Federal income taxes among associate companies. (b) Summaries of taxes paid (c) Filings with taxing authorities to qualify employee benefit plans. (d) Information returns and reports to taxing authorities. | 7 years after settlement 2 years after settlement 3 years 2 years after settlement 7 years after settlement 7 years after settlement Destroy at option 7 years after settlement of Federal return or discontinuance of plan, whichever is later. 3 years, or for the period of any extensions granted for audit. | 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years 2 years after final tax liability is determined. 2 years after final tax liability is determined. Deleted 5 years after settlement of Federal return or discontinuance of plan, whichever is later. 3 years, or for the period of any extensions granted for audit. | Reduced by 5 years. No change. Reduced by 1 year. No change. Reduced by 5 years. Renumbered (b). Reduced by 5 years. Renumbered (c). Deleted. Reduced by 2 years. No change. |

TREASURY

| | | | | |
|----------|--|---|---|---|
| 35 | Statements of funds and deposits: (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund. (c) Statements prepared by fund administrator or trustees of fund activity including: (1) Beginning of the year balance of fund; (2) Deposits with the fund; (3) Acquisition of investments held by the fund; (4) Disposition of investments held by the fund; (5) Disbursements from the fund, including party to whom disbursement was made; and (6) End of year balance of fund. | Replacement for Item 58 currently contained in 18 CFR § 125.3. | For nuclear decommissioning funds, retain records for all items listed for a period of 3 years after completion of final decommissioning of facilities. If amortization funds related to licensed projects are maintained, retain until the Commission makes a final determination of the disposition of amortization reserves. Retain records for the most recent 3 calendar years. Retain records for the most recent 3 calendar years. Retain records until the fund is dissolved or terminated. | Replaces previous text. Substantive changes made. Requirement added. Requirement added. Requirement added. |
| 36 | Records of deposits with banks and others: (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. | Destroy at option after completion annual audit by independent accountants. | Destroy at option after completion of audit by independent accountants. | No change. |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|--|---------------------------------------|---------------------------|---------------------|
| | (b) Check stubs, registers, or other records of checks issued. | 6 years | 3 years | Reduced by 3 years. |

MISCELLANEOUS

| | | | | |
|----------|---|--|---|--|
| 37 | Reserve | | | |
| 38 | Statistics: | | | |
| | (a) Annual financial, operating and statistical reports regularly prepared in the course of business for internal administrative or operating purposes (and not used for the basis for entries to accounts of the companies concerned) to show the results of operations and the financial condition of the utility. | 10 years after date of report | 3 years | Reduced by 7 years and text rewritten. |
| | (b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above. | 2 years after date of report | Deleted | Deleted. |
| 39 | Budgets and other forecasts (Prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisitions or disposals of properties or investments by the company and its associate companies, including revisions of such estimates and memoranda showing reasons for revisions; also records showing comparison of actual income and receipts and expenditures with estimates. | 3 years | 3 years | Text rewritten. |
| 40 | Records of predecessors and former associates. | Retain until the records of utility plant acquired have been integrated with the utility's plant records and the original cost of the acquired plant is adequately supported by cost details and until it is ascertained that such records are not necessary to fulfillment of any unsatisfied regulatory requirement, such as: (a) Approval and recording of accounting adjustments resulting from reclassification and original cost studies and acceptance of property acquisition journal entries, (b) cost depreciation and amortization reserve determinations for licensed projects, (c) establishment of continuing plant inventory records or accounting evidence of the cost of long-lived property in the absence of such continuing plant inventory records. | Retain consistent with the requirements for the same types of records of the utility. | Text rewritten. |
| 41 | Reports to Federal and State regulatory commissions: | | | |

| Item No. | Description | Current retention period 18 CFR 125.3 | Proposed retention period | Summary of changes |
|----------|---|--|---------------------------|--|
| | (a) Annual financial, operating and statistical reports: (1) Federal agencies | Retain until receipt of FERC audit report or two years after auditors' exit conference which ever occurs first. | 5 years | Removed tie to FERC audit report and set fixed time period. Text combined. |
| | (2) State commissions | Retain as long as the active tariffs or rates are in effect. | Text combined | Text combined. |
| | (b) Special or periodic reports on the following subjects: (1) Transactions with associated companies. | 6 years | Deleted | Deleted. |
| | (2) Budgets of expenditures. | 3 years | Deleted | Deleted. |
| | (3) Employees and wages | 5 years | Deleted | Deleted. |
| | (4) Loans to officers and employees. | 3 years after fully paid | Deleted | Deleted. |
| | (5) Issues of securities | Data filed with SEC retain 25 years or until all securities covered are retired whichever is shorter; other reports retain until securities covered are retired. | Deleted | Deleted. |
| | (6) Purchases and sales, utility properties. | 10 years after plant is retired. See Sec. 125.2(j). | Deleted | Deleted. |
| | (7) Plant changes—units added and retired. | 10 years after plant is retired. See Sec. 125.2(j). | Deleted | Deleted. |
| | (c) Cost of service reports filed under section 133 of the Public Utility Regulatory Policies Act (PURPA). (See 18 CFR Part 290.). | 5 years | Deleted | Deleted. |
| 42 | Other miscellaneous records: Copies of advertisements by the company in 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). | 6 years | 2 years | Reduced by 4 years. Description title changed. Text rewritten. |

Note: This Appendix Will Not Appear in The Code of Federal Regulations

Appendix B—Current and Proposed Records Retention Requirements (18 CFR Part 225.3)

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|------------------------------|--|--|--|--|
| CORPORATE AND GENERAL | | | | |
| 1 | Reports to stockholders: Annual reports or statements to stockholders. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever comes first. | 5 years | Removed tie to FERC audit report and set fixed time period |
| 2 | Organizational documents: (a) Minute books of stockholders', directors', and directors' committee meetings. | 50 years or termination of the corporation's existence, whichever occurs first. | 5 years or termination of the corporation's existence, whichever occurs first. | Reduced by 45 years. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|--|--|---|---|---------------------|
| 3 | (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the natural gas company. | 6 years after final non-appealable order. | 6 years after final non-appealable order. | No change. |
| | Contracts and agreements (except contracts provided for elsewhere): | | | |
| | (a) Service contracts, such as for management, accounting and financial services. | 6 years after expiration or cancellation. See Sec. 225.2(j). | 6 years | No change. |
| | (b) Contracts with other transportation or for the purchase, sale or interchange of product. | 6 years after expiration or cancellation. | All contracts, related memoranda, and revisions should be retained for 4 years after expiration or until the conclusions of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later. | Reduced by 2 years. |
| 4 | (c) Memoranda essential to clarifying or explaining provisions of contracts listed above. | For the same periods as contracts to which they relate. | For the same periods as contracts to which they relate. | No change. |
| | (d) Card or book records of contracts, leases, and agreements made that show dates of expirations, renewals, memoranda of receipts, and payments under such contracts. | For the same periods as contracts to which they relate. | For the same periods as contracts to which they relate. | No change. |
| | Accountants' and auditors' reports: | | | |
| | (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the natural gas company (such as reports of public accounting firms and Commission accountants). | 7 years after date of report or Commission audit, whichever comes last. | 5 years after the date of the report. | Reduced by 2 years. |
| (b) Internal audit reports and working papers. | 7 years after date of report or Commission audit, whichever comes last. | 5 years after the date of the report. | Reduced by 2 years. | |

INFORMATION TECHNOLOGY MANAGEMENT

| | | | | |
|---------|---|---|---|------------|
| 5 | Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule: Program documentation and revisions thereto. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. | Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter. | No change. |
|---------|---|---|---|------------|

GENERAL ACCOUNTING RECORDS

| | | | | |
|--------------|---|----------------|----------------|----------------------|
| 6 | General and subsidiary ledgers: | | | |
| | (a) Ledgers: | | | |
| | (1) General ledgers | 50 years | 25 years | Reduced by 25 years. |
| | (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere. | 50 years | 25 years | Reduced by 25 years. |
| (b) Indexes: | (1) Indexes to general ledgers. | 50 years | 25 years | Reduced by 25 years. |
| | (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere. | 50 years | 25 years | Reduced by 25 years. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|---|--|-------------------------------------|----------------------|
| | (c) Trial balance sheets of general and subsidiary ledgers. | 2 years | 2 years | No change. |
| 7 | Journals: General and subsidiary. | 50 years | 25 years | Reduced by 25 years. |
| 8 | Journal vouchers and journal entries including supporting detail: | | | |
| | (a) Journal vouchers and journal entries. | 50 years | 25 years | Reduced by 25 years. |
| | (b) Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries: | | | |
| | (1) Charging plant accounts. | 6 years. See Sec. 225.2(j) | 25 years | Reduced. |
| | (2) Charging all other accounts. | 6 years | 6 years | No change. |
| 9 | Cash books: General and subsidiary or auxiliary books. | 10 years after close of fiscal year. See subsection 12(a). | 5 years after close of fiscal year. | Reduced by 5 years. |
| 10 | Voucher registers: Voucher registers or similar records when used as a source document. | 6 years. See Sec. 225.2(j) | 5 years | Reduced by 1 year. |
| 11 | Vouchers: | | | |
| | (a) Paid and cancelled vouchers (1 copy—analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers). | 6 years. See Sec. 225.2(j) | 5 years | Reduced by 1 year. |
| | (b) Original bills and invoices for materials, services, etc., paid by vouchers. | 6 years. See Sec. 225.2(j) | 5 years | Reduced by 1 year. |
| | (c) Paid checks and receipts for payments of specific vouchers. | 6 years | 5 years | Reduced by 1 year. |
| | (d) Authorization for the payment of specific vouchers. | 6 years. See Sec. 225.2(j) | 5 years | Reduced by 1 year. |
| | (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills. | Destroy at option | Destroy at option | No change. |
| | (f) Voucher indexes | Destroy at option | Destroy at option | No change. |

INSURANCE

| | | | | |
|----------|---|--|---|------------|
| 12 | Insurance records: | | | |
| | (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. | Destroy at option after expiration of such policies. | Destroy at option after expiration. No change.. | |
| | (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers. | 6 years. See Sec. 225.2(j) | 6 years | No change. |

OPERATIONS AND MAINTENANCE

| | | | | |
|----------|--|---------------|---------------|----------|
| 13 | Production—Gas: | | | |
| | (a) Gas generation and output logs with supporting data. | 6 years | Deleted | Deleted. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|------------|---|--|---|----------------------------------|
| | (b) Recording instrument charts such as pressure (static and/or differential), temperature specific gravity, heating value, etc. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained one year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| | (c) Test of heating value at stations and outlying points. | 6 years | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 years and 5 months. |
| | (d) Records of gas produced, out, and holder stock. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained one year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| | (e) Analysis of (gas produced) B.T.U. and sulphur content. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained one year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| | (f) Well records, including clearing, bailing, shooting etc., records; rock pressure; open flow; production, gas analysts' reports etc. | 1 year after field or relevant production area abandoned. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| | (g) Gas measuring records ... | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained one year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| 14 | Transmission and distribution—Gas: | | | |
| | (a) Substation and transmission line logs. | 3 years | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 2 years and 5 months. |
| | (b) System operator's daily logs and reports of operation. | 3 years | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 2 years and 5 months. |
| | (c) Gas measuring records ... | 1 year | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| | (d) Transmission line operating reports. | 3 years | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 2 years and 5 months. |
| | (e) Compression operation and reports. | 3 years | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 2 years and 5 months. |
| | (f) Recording instrument charts such as pressure (static and/or differential), temperature specific heating value, etc. | 1 year, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained one year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| 14.1 | Underground storage of natural gas: | | | |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|--|---|---|--------------------|
| | (a) Well records, reports and logs which includes data relating to pressures, injected volumes, withdrawn volumes, core analysis, daily volumes of gas injected into and withdrawn from reservoir, and cushion and working gas volumes for each reservoir. | 1 year after reservoir, field, or relevant storage area is abandoned. | 1 year after reservoir, field, or relevant storage area is abandoned. | No change. |
| | (b) Records containing information relating to reservoir gas leakage, showing the total gas leakage and recycled gas. | 1 year after reservoir, field, or relevant storage area is abandoned. | 1 year after reservoir, field, or relevant storage area is abandoned. | No change. |
| | (c) Records on back pressure tests field data. | 1 year or until superseded | 1 year or until superseded | No change. |
| | (d) Records on back pressure test results, gas analysis. | 1 year or until superseded | 1 year or until superseded | No change. |
| 15 | Maintenance work orders and job orders: | | | |
| | (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred. | 6 years | 5 years | Reduced by 1 year. |
| | (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 natural gas company operations. | 6 years | 5 years | Reduced by 1 year. |
| | (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts). | 6 years | 5 years | Reduced by 1 year. |

PLANT AND DEPRECIATION

| | | | | |
|----------|---|--|---|----------------------|
| 16 | Plant ledgers: | | | |
| | (a) Ledgers of natural gas company's plant accounts including land and other detailed ledgers showing the cost of plant by classes. | 50 years | 25 years | Reduced by 25 years. |
| | (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of natural gas plant owned. | 6 years after plant is retired, provided mortality data are retained. See Note 1. | 25 years | Reduced. |
| 17 | Construction work in progress ledgers: | | | |
| | (a) Construction work in progress ledgers. | 10 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired. | 5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired. | Reduced by 5 years. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|---|--|---|--|
| | <p>(b) Work order sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for natural gas company's plant additions and the entries closing the work orders to natural gas company plant in service at completion.</p> <p>(c) Authorizations for expenditures for additions to natural gas company plant, including memoranda showing the detailed estimates of cost and the bases therefor (including original and revised or subsequent authorizations).</p> <p>(d) Requisitions and registers of authorizations for natural gas company plant expenditures.</p> <p>(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for natural gas company plant additions.</p> <p>(f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project.</p> <p>(g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.</p> <p>(h) Well-drilling logs and well construction records.</p> | <p>10 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired.</p> <p>10 years</p> <p>10 years</p> <p>10 years after clearance to the plant, provided continuing project plant inventory records are maintained; otherwise 6 years after plant is retired.</p> <p>Destroy at option</p> <p>1 year after field or well is abandoned.</p> | <p>5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired.</p> <p>5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired.</p> <p>5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired.</p> <p>5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired.</p> <p>5 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 5 years after plant is retired.</p> <p>Destroy at option</p> <p>1 year after field or well is abandoned.</p> | <p>Reduced by 5 years.</p> <p>Reduced by 5 years.</p> <p>Reduced by 5 years.</p> <p>Reduced by 5 years.</p> <p>Reduced by 5 years.</p> <p>No change.</p> <p>No change.</p> |
| 18 | <p>Retirement work in progress ledgers, work orders, and supplemental records:</p> <p>(a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to natural gas company plant accounts for cost of plant retirement.</p> <p>(b) Authorizations for retirement of natural gas company plant, including memoranda showing the basis for determination of cost of plant to be retired and estimates of salvage and removal costs.</p> <p>(c) Registers of retirement work.</p> | <p>10 years after plant is retired. See Note 1.</p> <p>10 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired. See Note 5.</p> <p>10 years</p> | <p>5 years after plant is retired</p> <p>5 years after plant is retired</p> <p>5 years</p> | <p>Reduced by 5 years.</p> <p>Reduced by 1 year.</p> <p>Reduced by 5 years.</p> |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|--|--|---|---|
| 19 | 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. | 10 years after clearance to the plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired. | 5 years | Reduced by 5 years. |
| 20 | <p>Appraisals and valuations:</p> <p>(a) Appraisals and valuations made by the company of its properties or investments or the properties or investments of any associated companies. Includes all records essential thereto.</p> <p>(b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of:</p> <p>(1) Mergers or acquisitions</p> <p>(2) Asset impairments</p> <p>(3) Other bases</p> | 3 years after disposition, termination of lease, or write off of property or investment. | 3 years after appraisal | Replaces previous text. No substantive change. |
| 21 | <p>The original or reproduction of engineering records, drawings and other supporting data for proposed as-constructed utility facilities:</p> <p>(a) Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies and similar records showing the location of proposed or as-constructed facilities.</p> <p>(b) If construction of facility results wholly, or in part.</p> | Retain until receipt of FERC audit report or two years after auditor's exit conference, whichever occurs first. | <p>10 years after completion of transaction or as ordered by the Commission.</p> <p>10 years after recognition of asset impairment.</p> <p>10 years after the asset was written up or down.</p> <p>Retained until retired or abandoned.</p> | <p>Requirement added.</p> <p>Requirement added.</p> <p>Requirement added.</p> <p>Requirement added.</p> |
| 22 | <p>Contracts relating to utility records:</p> <p>(a) Contracts relating to acquisition or sale of plant.</p> <p>(b) The primary records of gas acreage owned, leased or optioned excluding deeds and leases but including such records a lease sheets, leasehold cards, and option agreements.</p> | <p>6 years after plant is retired</p> <p>6 years after rights to the gas acreage have expired or otherwise dissolved.</p> | <p>6 years after plant is retired or sold.</p> <p>6 years after plant is retired or sold.</p> | <p>No change.</p> <p>Text rewritten.</p> |
| 23 | Records pertaining to reclassification of utility plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications. | 6 years. See Sec. 225.2(j) | 6 years | No change. |
| 24 | Records of accumulated provisions for depreciation and depletion of utility plant and supporting computation of expense: | | | |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|---|-------------------------------|---------------------------|--------------------|
| | (a) Detailed records or analysis sheets segregating the accumulated depreciation according to functional classification of plant. | 25 years | 25 years | No change. |
| | (b) Records reflecting the service life of property and the percentage of salvage and cost of removal for property retired from each account for depreciable natural gas plant. | 25 years. See Note 5 | 25 years | No change. |

PURCHASES AND STORES

| | | | | |
|----------|---|---|---|---|
| 25 | Procurement: (a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set for in Subsection 7 such as but not limited to: Letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements and the various types of purchase orders: (1) For goods or services relating to plant construction. (2) For other goods or services. (b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement. | 6 years. See Sec. 225.2(j) 6 years 6 years. See Sec. 225.2(j) | 6 years 6 years 6 years | No change. No change. No change. |
| 26 | Material ledgers: Ledger sheets of materials and supplies received, issued, and on hand. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 6 years after the date records/ ledgers were created. | Removed tie to FERC audit report and set fixed time period. |
| 27 | Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods. | 6 years. See Sec. 225.2(j) | 6 years | No change. |
| 28 | Records of sales of scrap and materials and supplies: (a) Authorization for sale of scrap and materials and supplies. (b) Contracts for sale of scrap materials and supplies. | 3 years 3 years | 3 years 3 years | No change. No change. |

REVENUE ACCOUNTING AND COLLECTION

| | | | | |
|----------|--|---|--|---|
| 29 | Customers' service applications and contracts: Contracts for extensions of service for which contributions are made by customers and others. | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 4 years after expiration | Removed tie to FERC audit report and set fixed time period. |
| 30 | Rate schedules: General files of published rate sheets and schedules of utility service (including schedules suspended or superseded). | Retain until receipt of FERC audit report or two years after auditors' exit conference, whichever occurs first. | 6 years after published rate sheets and schedules are superseded or no longer used to charge for services. | Removed tie to FERC audit report and set fixed time period. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|--|--|---|--------------------------------|
| 31 | Maximum demand, pressure, temperature, and specific gravity charts and demand meter record card. | 1 year, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 1 year. | If the measurement data have not been disputed or adjusted, destroy after 7 months. | Reduced by 5 months. |
| 32 | Miscellaneous billing data: Billing department's copies of contracts with customers (in addition to contracts in general files). | Destroy at option | Destroy at option | No change. |
| 33 | Revenue summaries: (a) Summaries of monthly operating revenues according to classes of service by entire utility. (b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions. (Including summaries of forfeited discounts and penalties). | 6 years 6 years | 5 years Deleted | Reduced by 1 year. Deleted. |

TAX

| | | | | |
|----------|--|---|---|---|
| 34 | Tax records: (a) Copies of returns and schedules filed with taxing authorities, supporting work papers, records of appeals, tax bills and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements.. (1) Income tax returns (2) Property tax returns (3) Sales and other use taxes. (4) Other taxes (5) Agreements between associate companies as to allocation of consolidated income taxes. (6) Schedule of allocation of consolidated Federal Income taxes among associate companies. (b) Summaries of taxes paid (c) Filings with taxing authorities to qualify employee benefit plans. (d) Information returns and reports to taxing authorities. | 7 years after settlement 2 years after settlement 3 years 2 years after settlement 7 years after settlement 6 years Destroy at option 7 years after settlement of Federal return or discontinuance of plan, whichever is later. 3 years, or for the period of any extensions granted for audit. | 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years 2 years after final tax liability is determined. 2 years after final tax liability is determined. 2 years final tax liability is determined. Deleted 5 years after discontinuance of plan. 3 years or for the period of any extensions granted for audit. | Reduced by 5 years. No change. Reduced by 1 year. No change. Reduced by 5 years. Reduced. Deleted. Reduced by 2 years Renumbered (b). No change Renumbered (c). |
|----------|--|---|---|---|

TREASURY

| | | | | |
|----------|--|---|--|---|
| 35 | Statements of funds and deposits.. (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund. (c) Statements prepared by fund administrator or trustees of fund activity including.. | Replacement for Item 58 currently contained in 18 CFR §225.3 | Retain records for the most recent 3 calendar years. Retain records for the most recent 3 calendar years. Retain records until the fund is dissolved or terminated. | Replaces previous text. Substantive change. Requirement added. Requirement added. Requirement added. |
|----------|--|---|--|---|

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|--|--|--|---------------------|
| 36 | (1) Beginning of the year balance of fund; (2) Deposits with the fund; (3) Acquisition of investments held by the fund; (4) Disposition of investments held by the fund; (5) Disbursements from the fund, including party to whom disbursement was made; and (6) End of year balance of fund. Records of deposits with banks and others: | Destroy at option after completion of audit by independent accountants. | Destroy at option after completion of audit by independent accountants. | No change. |
| | (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. (b) Check stubs, registers, or other records of checks issued. | 6 years | 3 years | Reduced by 3 years. |
| 37 | Records of receipts and disbursements: (a) Daily or other periodic statements of receipts or disbursements of funds. (b) Records or periodic statements of outstanding vouchers, checks, drafts, etc., issued and not presented. (c) Reports of associates showing working fund transactions and summaries thereof. (d) Reports of revenue collections by field cashiers, pay stations, etc. | Destroy at option after completion of annual audit by independent accountants. | Destroy at option after completion of annual audit by independent accountants. | No change. |
| | (b) Records or periodic statements of outstanding vouchers, checks, drafts, etc., issued and not presented. | Destroy at option after completion of annual audit by independent accountants. | Destroy at option after completion of annual audit by independent accountants. | No change. |
| | (c) Reports of associates showing working fund transactions and summaries thereof. | Destroy at option after completion of annual audit by independent accountants. | Destroy at option after completion of annual audit by independent accountants. | No change. |
| | (d) Reports of revenue collections by field cashiers, pay stations, etc. | Destroy at option after completion of annual audit by independent accountants. | Destroy at option after completion of annual audit by independent accountants. | No change. |

MISCELLANEOUS

| | | | | |
|----------|---|------------------------------------|---------------|---------------------|
| 38 | Statistics: (a) Annual financial, operating and statistical reports regularly prepared in the course of business for internal administrative or operating purposes (and not used for the basis for entries to accounts of the companies concerned to show the results of operations and the financial condition of the utility. (b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above. | 10 years after date of report | 5 years | Reduced by 5 years. |
| | (b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above. | 2 years after date of report | Deleted | Deleted. |
| 39 | Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisitions or disposals of properties or investments. | 3 years | 3 years | No change. |

| Item no. | Description | Retention period 18 CFR 225.3 | Proposed retention period | Summary of changes |
|----------|--|---|---|---|
| 40 | Records of predecessors and former associates. | Retain until the records of utility plant acquired have been integrated with the utility's plant records and the original cost of the acquired plant is adequately supported by cost details and until it is ascertained that such records are not necessary to fulfillment of any unsatisfied regulatory requirement, such as: (a) Approval and recording of accounting adjustments resulting from reclassification and original cost studies and acceptance of property acquisition journal entries, (b) establishment of continuing plant inventory records or accounting evidence of the cost of long-lived property in the absence of such continuing plant inventory records. | Retain consistent with the requirements for the same types of records of the natural gas company. | Text rewritten. |
| 41 | <p>Reports to Federal and State regulatory commissions:</p> <p>(a) Annual financial, operating and statistical reports:</p> <p>(1) Federal agencies</p> <p>(2) State commissions</p> <p>(b) Special or periodic reports on the following subjects:</p> <p>(1) Transactions with associated companies.</p> <p>(2) Budgets of expenditures.</p> <p>(4) Employees and wages</p> <p>(5) Loans to officers and employees.</p> <p>(7) Purchases and sales, utility properties.</p> <p>(8) Plant changes—units added and retired..</p> <p>(c) Records required to be retained under Sec. 277.210 of this chapter, relating to the Natural Gas Policy Act of 1978.</p> | Retain until receipt of FERC audit report or two years after auditors' exit conference which ever occurs first. | 5 years | Removed tie to FERC audit report and set fixed time period. |
| | | Retain as long as the active tariffs or rates are in effect. | Deleted | Deleted. |
| | | 6 years | Deleted | Deleted. |
| | | 3 years | Deleted | Deleted. |
| | | 5 years | Deleted | Deleted. |
| | | 3 years after fully paid | Deleted | Deleted. |
| | | 10 years after plant is retired ... | Deleted | Deleted. |
| | | 10 years after plant is retired ... | Deleted | Deleted. |
| | | 3 years | Deleted | Deleted |
| 42 | Other miscellaneous records: Copies of advertisements by the company in 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). | 6 years | 2 years | Reduced by 4 years. Description title change. Text rewritten. |

Note: This Appendix Will Not Appear in The Code of Federal Regulations

Appendix C—Current and Proposed Records Retention Requirements (18 CFR Part 356.3)

| Item No. | Description | Retention period 18 CFR 356.11 | Proposed retention period | Summary of changes |
|------------------------------|--|--|---|--|
| CORPORATE AND GENERAL | | | | |
| 1 | Incorporation and reorganization: (a) Charter of certificate of incorporation and amendments. (b) Legal documents related to mergers, consolidations, reorganizations, receiverships and similar actions which effect the identity or organization of the company. | Permanently | Permanently or at termination of the corporation's existence. | No change. |
| 2 | Minutes to Directors', Executive Committees', Stockholders', and other corporate meetings. | Permanently | 5 years | Reduced. |
| 3 | Titles, franchises and authorities: (a) Certificates of public convenience and necessity issued by regulating bodies. (b) Operating authorizations and exemptions to operate issued by regulating bodies. (c) Copies of formal orders of regulatory bodies served upon the company. (d) Deeds, charters, and other title papers. | Until expiration or cancellation Until expiration or cancellation 1 year after expiration or cancellation. 3 years after disposition of property. | Until expiration or cancellation Until expiration or cancellation 1 year after expiration or cancellation. 3 years after disposition of property. | No change. No change. No change. No change. |
| 4 | Contracts and Agreements: (a) Contracts and related papers for transactions which are subject to the provisions of the Clayton Anti-trust Act (15 U.S.C. 20). (b) Service contracts, such as for operational management, accounting, financial or legal service, and agreements with agents. (c) Contracts and other agreements relating to the construction, acquisition or sale of real property and equipment except as otherwise provided in (a) above. | 10 years after expiration, provided there is no pending litigation involved, and provided the company notifies the Commission of it intended action 2 weeks prior to the date the records are to be destroyed. 3 years after expiration or termination. 3 years after expiration or termination. | 4 years after expiration, provided there is no pending litigation or governmental inquiry or proceeding involved. 3 years after expiration or termination. 3 years after expiration or termination. | Reduced by 6 years. No change. No change. |
| 5 | Accountant's, auditor's, and inspector's reports: (a) Certifications and reports of examinations and audits conducted by public and certified public accountants. (b) Reports of examinations and audits conducted by internal auditors, time inspectors, weight inspectors, and others. | 3 years | 3 years | No change. No change. |
| TREASURY | | | | |
| 6 | Long-term debt records: | | | |

| Item No. | Description | Retention period 18 CFR 356.11 | Proposed retention period | Summary of changes |
|----------|---|--------------------------------|--------------------------------|--------------------|
| | (a) Bond indentures, underwriting, mortgage, and other long-term credit agreements. | 6 years after redemption | 6 years after redemption | No change. |

FINANCIAL ACCOUNTING

| | | | | |
|----------|--|-----------------------------------|-----------------------------------|----------------------|
| 7 | Ledgers: (a) General and subsidiary ledgers with indexes thereto. (b) Balance Sheets and Trial Balance sheets of general and subsidiary ledgers. | 50 years | 3 years | Reduced by 47 years. |
| 8 | Journals: (a) General Journals (except for ratemaking organizations). (b) Subsidiary Journals and any supporting data, except as otherwise provided for, necessary to explain journal entries. (c) Schedules of recurring or standard journal entries with entry identifications. | 50 years | 3 years | Reduced by 47 years. |
| 9 | Vouchers: (a) Voucher registers or equivalent. (b) Paid and cancelled vouchers, expenditure authorizations, detailed distribution sheets and other supporting data including original bills and invoices, except as otherwise provided herein. | 6 years | 5 years | Reduced by 1 year. |
| 10 | Accounts receivable, record, or register of accounts receivable. | 3 years after settlement | 3 years after settlement | No change. |
| 11 | Records of accounting codes and instructions. | 6 years after discontinuance | 3 years after discontinuance | Reduced by 3 years. |

PROPERTY AND EQUIPMENT

| | | | | |
|----------|--|--|--|--|
| 12 | Property records: (a) Records which maintained complete information on cost or other value of all real property or equipment. (b) Records and additions and betterments made to property and equipment. (c) Records pertaining to retirements and replacements of property and equipment. (d) Records pertaining to depreciation: (1) When group method and depreciation rates are prescribed by the Commission. (2) Other | 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 10 years | 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. 3 years after disposition of property. | No change. No change. No change. Added requirement. |
| | (e) Records of equipment number changes. (f) Records of motor and engine changes. | 3 years after disposition of property. 3 years after disposition of property. | 3 years after disposition of property. Destroy at option | No change. Changed requirement. |

| Item No. | Description | Retention period 18 CFR 356.11 | Proposed retention period | Summary of changes |
|----------|--|--|--|--------------------|
| 13 | (g) Files of detailed authorizations for expenditures, work or job orders showing estimated costs of additions and betterments, extensions, replacements, major repairs and dismantlements, approved by proper officials, together with supporting data. | 3 years | 3 years after disposition of property. | Added requirement. |
| | (h) Periodical inventories of property and equipment. | 3 years after prior inventory | 3 years after prior inventory | No change. |
| | Engineering Records: (a) Plans and specifications .. | 3 years after the disposition of the property. | 3 years after the disposition of the property. | No change. |
| | (b) Estimates of work, engineering studies, construction bids, and similar data pertaining to property changes actually made. | 15 years | 15 years | No change. |

PERSONNEL AND PAYROLL

| | | | | |
|----------|---|---------------|---------------|------------|
| 14 | Payroll Records: (a) Registers, abstracts, or summaries showing earnings, deductions and amounts paid to each employee by pay periods. | 3 years | 3 years | No change. |
| | (b) Records showing the detailed distribution of salaries and wages to various accounts. | 3 years | 3 years | No change. |

TAXES

| | | | | |
|----------|--|--|--|------------|
| 15 | Copies of returns and schedules filed with taxing authorities, supporting work papers, records or appeals, tax bills and receipts for payments. (See item 9(b) for vouchers evidencing disbursements): | | | |
| | (a) Income tax returns | 3 years after settlement | 3 years after final tax liability is determined. | No change. |
| | (b) Property tax returns | 3 years after settlement | 3 years after final tax liability is determined. | No change. |
| | (c) Sales and use taxes | 3 years | 3 years | No change. |
| | (d) Other taxes | 3 years after settlement | 3 years after final tax liability is determined. | No change. |
| | (e) Agreements between affiliated companies as to allocation of consolidated income taxes. | 3 years after settlement | 3 years after final tax liability is determined. | No change. |
| | (f) Schedule of allocation of consolidated Federal income taxes among affiliated companies. | 3 years after settlement | 3 years after final tax liability is determined. | No change. |
| 16 | Information returns and reports to taxing authorities. | 3 years, or for the period of any extensions granted for audits. | 3 years, or for the period of any extensions granted for audits. | No change. |

PURCHASE AND STORES

| | | | | |
|----------|---|---------------|---------------|------------|
| 17 | Material ledger, records of material and supplies on hand at all locations. | 2 years | 2 years | No change. |
|----------|---|---------------|---------------|------------|

| Item No. | Description | Retention period 18 CFR 356.11 | Proposed retention period | Summary of changes |
|----------|---|--------------------------------|---------------------------|--------------------|
| 18 | Inventories: General Inventories of material and supplies on hand, with record of adjustments between accounts required to bring stores records into agreement with physical inventories. | 2 years | 2 years | No change. |

TRANSPORTATION

| | | | | |
|----------|---|------------------------------------|------------------------------------|------------|
| 19 | Oil and other products stocks and movement pipelines only: (a) Records and receipts, deliveries, pumpings, stocks, and over and short | 3 years | 3 years | No change. |
| | (b) Run tickets showing quantities by tank measurement of meter reading of oil and other products received into the delivered from company's lines. | 3 years | 3 years | No change. |
| | (c) Statements of oil and oil products consumed as fuel including quantity value, and where consumed. | 3 years | 3 years | No change. |
| | (d) Statement of oil and other products lost by line breaks and leaks including quantity, value, and location of breaks and leaks. | 3 years | 3 years | No change. |
| | (e) Reports of power furnished by producers: Monthly reports of the quantity of oil run in connection with which power was furnished by producers, and records of payment for such power. | 3 years | 3 years | No change. |
| | (f) Records of producers' property identifying ownership and location for producers' tanks or wells to which carrier's lines are connected. | 3 years after disconnection | 3 years after disconnection | No change. |
| | (g) Division or other periodical inventory reports of oil and other products on hand. | 3 years | 3 years | No change. |
| | (h) Division orders: Directions received by carrier as to the division of interest and to whose account transported oil should be credited. | 3 years after discontinuance | 3 years after discontinuance | No change. |
| | (i) Directions received by the carrier for the transfer of division order interests from one interest owner to another. | 3 years after discontinuance | 3 years after discontinuance | No change. |
| | (j) Transfer orders for the transfer of ownership of oil or other products in carrier's custody. | 3 years | 3 years | No change. |

TARIFFS AND RATES

| | | | | |
|----------|--|---|---|------------|
| 20 | Official file copies of tariffs, classifications, division sheets, and circulars relative to the transportation of property. | 3 years after expiration or cancellation. | 3 years after expiration or cancellation. | No change. |
|----------|--|---|---|------------|

| Item No. | Description | Retention period 18 CFR 356.11 | Proposed retention period | Summary of changes |
|----------|---|---|---|--------------------|
| 21 | Authorities and supporting papers for transportation of property for free or at reduced rates. | 3 years | 3 years | No change. |
| 22 | Copies of concurrences and powers of attorney. | 2 years after expiration or cancellation. | 2 years after expiration or cancellation. | No change. |
| 23 | Correspondence and working papers in connection with the making of rates and compliance of tariffs, classifications, division sheets, and circulars affecting the transportation of property. | 2 years after cancellation of tariff. | 2 years after cancellation of tariff. | No change. |

REPORTS AND STATISTICS

| | | | | |
|----------|--|--|--|-------------------------------------|
| 24 | Reports to Federal Energy Regulatory Commission and other regulatory bodies: (a) Annual financial, operating and statistical reports, file copies of, and supporting data. (b) Valuation inventory reports and records together with related notes, maps, and sketches; underlying engineering, land, and accounting reports, pricing schedules, summary of collection sheets, yearly reports of changes and other miscellaneous data, all relating to the valuation of the company's property by the Federal Energy Regulatory Commission or other regulatory body. | 10 years 3 years after disposition of the property. | 5 years Delete item in its entirety | Reduced by 5 years. Deleted. |
|----------|--|--|--|-------------------------------------|

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