

STATUTES AND REGULATIONS

16 U.S.C. 825, 825c and 825h

§ 825. Accounts and records

(a) Duty to keep

Every licensee and public utility shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this chapter, including accounts, records, and memoranda of the generation, transmission, distribution, delivery, or sale of electric energy, the furnishing of services or facilities in connection therewith, and receipts and expenditures with respect to any of the foregoing: Provided, however, That nothing in this chapter shall relieve any public utility from keeping any accounts, memoranda, or records which such public utility may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by licensees and public utilities and may classify such licensees and public utilities and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays and receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

(b) Access to and examination by the Commission

The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of licensees and public utilities, and it shall be the duty of such licensees and public utilities to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

(c) Controlling individual

The books, accounts, memoranda, and records of any person who controls, directly or indirectly, a licensee or public utility subject to the jurisdiction of the Commission, and of any other company controlled by such person, insofar as they relate to transactions with or the business of such licensee or public utility, shall be subject to examination on the order of the Commission.

§ 825c. Periodic and special reports; obstructing filing reports or keeping accounts, etc.

(a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this chapter. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

(b) It shall be unlawful for any person willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account required to be made, filed, or kept under this chapter or any rule, regulation, or order thereunder.

§ 825h. Administrative powers of Commission; rules, regulations, and orders

The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this chapter. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this chapter; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

15 U.S.C. 717g, 717i and 717o

§ 717g. Accounts; records; memoranda

(a) Rules and regulations for keeping and preserving accounts, records, etc.

Every natural-gas company shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this chapter: Provided, however, That nothing in this chapter shall relieve any such natural-gas company from keeping any accounts, memoranda, or records which such natural-gas company may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by such natural-gas companies, and may classify such natural-gas companies and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays or receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

(b) Access to and inspection of accounts and records

The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of natural-gas companies; and it shall be the duty of such natural-gas companies to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books, records, data, or accounts, except insofar as he may be directed by the Commission or by a court.

(c) Books, accounts, etc., of the person controlling gas company subject to examination

The books, accounts, memoranda, and records of any person who controls directly or indirectly a natural-gas company subject to the jurisdiction of the Commission and of any other company controlled by such person, insofar as they relate to transactions with or the business of such natural-gas company, shall be subject to examination on the order of the Commission.

§ 717i. Periodic and special reports

(a) Form and contents of reports

Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this chapter. The Commission may prescribe the manner and form in which such reports shall be made, and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural-gas company to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

(b) Unlawful conduct

It shall be unlawful for any natural-gas company willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account required to be made, filed, or kept under this chapter or any rule, regulation, or order thereunder.

§ 717o. Administrative powers of Commission; rules, regulations, and orders

The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this chapter. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this chapter; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

49 U.S.C. 60502

§ 60502. Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission has the duties and powers related to the establishment of a rate or charge for the transportation of oil by pipeline or the valuation of that pipeline that were vested on October 1, 1977, in the Interstate Commerce Commission or an officer or component of the Interstate Commerce Commission.

PART 125—PRESERVATION OF RECORDS OF PUBLIC UTILITIES AND LICENSEES

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

§ 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.

[Order 617, 65 FR 48155, Aug. 7, 2000]

§ 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.

(4) Records other than those listed in the schedule may be destroyed at the option of the public utility or licensee: *Provided, however*, That records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, *provided further*, That retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

(5) Notwithstanding the provisions of the Records Retention Schedule, the Commission may, upon the request of the Company, authorize a shorter period of retention for any record listed therein upon a showing by the Company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

(b) *Designation of supervisory official.* Each public utility or licensee subject to the regulations in this part shall designate one or more persons with official responsibility to supervise the utility's or licensee's program for preservation and the authorized destruction of its records.

(c) *Protection and storage of records.* The public utility or licensee shall provide reasonable protection for records subject to the regulations in this part from damage by fire, floods, and other hazards and, in the selection of storage spaces, safeguards the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

(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 a public utility or licensee wants to reflect costs in a current, future, or pending rate case, or if a public utility or licensee 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.

(Secs. 3, 4, 15, 16, 308; 41 Stat. 1063–1066, 1068, 1072, 1075; 49 Stat. 838–841; 82 Stat. 617 (16 U.S.C. 796, 797, 803, 808, 809, 816, 825b, 825g, 826i); secs. 8, 10, 16; 52 Stat. 825, 826, 830 (15 U.S.C. 717g, 717i, 717o))

[Order 450, 37 FR 6293, Mar. 28, 1972, as amended by Order 567, 42 FR 30615, June 16, 1977; Order 258, 47 FR 42724, Sept. 29, 1982; Order 335, 48 FR 44483, Sept. 29, 1983; Order 617, 65 FR 48155, Aug. 7, 2000]

§ 125.3 Schedule of records and periods of retention.

Table of Contents

Corporate and General

1. Reports to stockholders.
2. Organizational documents.
3. Contracts including amendments 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 orders 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 relating to utility plant.

23. Reclassification of utility plant account records.

24. Accumulated depreciation and depletion of utility plant account records.

Purchase and Stores

25. Procurement.

26. Material ledgers.

- 27. Materials and supplies received and issued.
- 28. Records of sales of scrap and materials and supplies.

Revenue Accounting and Collection

- 29. Customers' service applications and contracts.
- 30. Rate schedules.
- 31. Maximum demand and demand meter record cards.
- 32. Miscellaneous billing data.
- 33. Revenue summaries.

Tax

- 34. Tax records.

Treasury

- 35. Statements of funds and deposits.
- 36. Records of deposits with banks and others.

Miscellaneous

- 37. [Reserved.]
- 38. Statistics.
- 39. Budgets and other forecasts.
- 40. Records of predecessors companies.
- 41. Reports to Federal and State regulatory commissions.
- 42. Advertising.

Schedule of Records and Periods of Retention

| Item No. and 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 | 5 years or termination of the corporation's existence, whichever occurs first. |
| (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the utility | 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 | All contracts, related memoranda, and revisions should be retained for 4 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later. |
| (b) Contracts with others for transmission or the purchase, sale or interchange of product | 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. |
| (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts | For the same periods as contracts to which they relate. |
| (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 | 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) | 5 years after the date of the report. |

| | |
|---|---|
| (b) Internal audit reports and working papers | 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): Software 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 | 10 years. |
| (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere | 10 years. |
| (b) Indexes: | |
| (1) Indexes to general ledgers | 10 years. |
| (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere | 10 years. |
| (c) Trial balance sheets of general and subsidiary ledgers | 2 years. |
| 7. Journals: General and subsidiary | 10 years. |
| 8. Journal vouchers and journal entries including supporting detail: | |
| (a) Journal vouchers and journal entries | 10 years. |
| (b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries: | |
| (1) Charging plant accounts | 25 years. See §125.2(g). |
| (2) Charging all other accounts | 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. See §125.2(g). |
| 11. Vouchers: | |
| (a) Paid and canceled vouchers (one copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers) | 5 years. See §125.2(g). |
| (b) Original bills and invoices for materials, services, etc., paid by vouchers | 5 years. See §125.2(g). |
| (c) Paid checks and receipts for payments of specific vouchers | 5 years. |
| (d) Authorization for the payment of specific vouchers | 5 years. See §125.2(g). |
| (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills | Destroy at option. |
| (f) Voucher indexes | Destroy at option. |
| 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. |
| (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 §125.2(g). |
| Operations and Maintenance | |
| 13.1 Production—Public utilities and licensees (less Nuclear): | |
| (a) Boiler-tube failure report | 3 years. |

| | |
|--|--|
| (b) Generation and output logs with supporting data: | 3 years. |
| (c) Station and system generation reports and clearance logs: | |
| (1) Hydro-electric | 25 years. See §125.2(g). |
| (2) Steam and others | 6 years. See §125.2(g). |
| (d) Generating high-tension and low-tension load records | 3 years. |
| (e) Load curves, temperature logs, coal, and water logs | 3 years. |
| (f) Gauge-reading reports | 2 years, except river flow data collected in connection with hydro operation must be retained for life of corporation. |
| (g) 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. |
| 13.2 Production—Nuclear: | |
| For informational purposes, refer to the document retention requirements of the Nuclear Regulatory Commission. | |
| 14. Transmission and distribution—Public utilities and licensees. | |
| (a) Substation and transmission line logs | 3 years. |
| (b) System operator's daily logs and reports of operation | 3 years. |
| (c) Transformer history records | For life of transformer. |
| (d) Records of transformer inspections, oil tests, etc | 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 | 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 utility 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 utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes | 25 years. See §125.2(g). |
| (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. See §125.2(g). |
| 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. |
| (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 | 5 years after clearance to plant |

| | |
|--|---|
| additions to utility plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations) | 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. |
| (c) Registers of retirement work | 5 years. |
| 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 | 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 | 6 years. |

| | |
|---|--|
| plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications | |
| 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. |
| Purchase 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. See §125.2(g). |
| (2) For other goods or services | 6 years. |
| (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 §125.2(g). |
| 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. See §125.2(g). |
| 28. Records of sales of scrap and materials and supplies: | |
| (a) Authorization for sale of scrap and materials and supplies | 3 years. |
| (b) Contracts for sale of scrap materials and supplies | 3 years. |
| Revenue Accounting and Collecting | |
| 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 years after final tax liability is determined. |
| (2) Property tax returns | 2 years after final tax liability is determined. |
| (3) Sales and other use taxes | 2 years. |
| (4) Other taxes | 2 years after final tax liability is determined. |
| (5) Agreements between associate companies as to allocation of consolidated income taxes | 2 years after final tax liability is determined. |
| (6) Schedule of allocation of consolidated Federal income taxes among associate companies | 2 years after final tax liability is determined. |
| (b) Filings with taxing authorities to qualify employee benefit plans | 5 years after discontinuance of plan. |
| (c) Information returns and reports to taxing authorities | 3 years after final tax liability is determined. |
| Treasury | |
| 35. Statements of funds and deposits | For nuclear decommissioning funds, retain records for all items listed for 3 years after 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. |

| | |
|---|---|
| (a) Statements of periodic deposits with fund administrators or trustees | Retain records for the most recent 3 years. |
| (b) Statements of periodic withdrawals from fund | Retain records for the most recent 3 years. |
| (c) Statements prepared by fund administrator or trustees of fund activity including: | Retain records until the fund is dissolved or terminated. |
| (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. | |
| 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 of audit by independent accountants. |
| (b) Check stubs, registers, or other records of checks issued | 3 years. |
| Miscellaneous | |
| 37. [Reserved] | |
| 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. |

[Order 617, 65 FR 48156, Aug. 7, 2000; 65 FR 50638, Aug. 21, 2000]

PART 225—PRESERVATION OF RECORDS OF NATURAL GAS COMPANIES

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.

§ 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.

[Order 617, 65 FR 48160, Aug. 7, 2000]

§ 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.

(4) Records other than those listed in the schedule may be destroyed at the option of the natural gas company: *Provided, however,* That records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes. And, *provided further,* That retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

(5) Notwithstanding the provisions of the Records Retention Schedule, the Commission may, upon the request of the company, authorize a shorter period of retention for any record listed therein upon a showing by the company that preservation of such record for a longer period is not necessary or appropriate in the public interest or for the protection of investors or consumers.

(b) *Designation of supervisory official.* Each natural gas company subject to the regulations in this part shall designate one or more persons with official responsibility to supervise the natural gas company's program for preservation and the authorized destruction of its records.

(c) *Protection and storage of records.* The natural gas company shall provide reasonable protection for records subject to the regulations in this part from damage by fires, floods, and other hazards and, in the selection of storage spaces, safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

(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.

[Order 450, 37 FR 6304, Mar. 28, 1972, as amended by Order 258, 47 FR 42724, 42725, Sept. 29, 1982; Order 335, 48 FR 44483, Sept. 29, 1983; Order 617, 65 FR 48160, Aug. 7, 2000]

§ 225.3 Schedule of records and periods of retention.

Table of Contents

Corporate and General

1. Reports to stockholders.
2. Organizational documents.
3. Contracts including amendments 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 journal entries.
9. Cash books.
10. Voucher registers.
11. Vouchers.

Insurance

12. Insurance records.

Operations and Maintenance

- 13. Production—Gas.
- 14. Transmission and distribution—Gas.
 - 14.1. Underground storage of natural gas.
- 15. Maintenance work orders 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 relating to natural gas.
- 23. Reclassification of natural gas plant account records.
- 24. Accumulated depreciation and depletion of natural gas plant account records.

Purchase and Stores

- 25. Procurement.
- 26. Material ledgers.
- 27. Materials and supplies received and issued.
- 28. Records of sales of scrap and materials and supplies.

Revenue Accounting and Collection

- 29. Customers' service applications and contracts.
- 30. Rate schedules.
- 31. Maximum demand and demand meter record cards.
- 32. Miscellaneous billing data.

33. Revenue summaries.

Tax

34. Tax records.

Treasury

35. Statements of funds and deposits.

36. Records of deposits with banks and others.

37. Records of receipts and disbursements.

Miscellaneous

38. Statistics.

39. Budgets and other forecasts.

40. Records of predecessors companies.

41. Reports to Federal and State regulatory commissions.

42. Advertising.

Schedule of Records and Periods of Retention

| Item No. and 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 | 5 years or termination of the corporation's existence, whichever occurs first. |
| (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. |
| 3. Contracts including amendments and agreements (except contracts provided for elsewhere): | |
| (a) Service contracts, such as for | All contracts, related |

| | |
|--|--|
| management, accounting, and financial services | memoranda, and revisions should be retained for 4 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later. |
| (b) Contracts with others for transportation or for the purchase, sale or interchange of product | 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. |
| (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts | For the same periods as contracts to which they relate. |
| (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. |
| 4. 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) | 5 years after the date of the report. |
| (b) Internal audit reports and working papers | 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): Software 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 | 10 years. |
| (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere | 10 years. |
| (b) Indexes: | |
| (1) Indexes to general ledgers | 10 years. |
| (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere | 10 years. |
| (c) Trial balance sheets of general and subsidiary ledgers | 2 years. |
| 7. Journals: General and subsidiary | 10 years. |
| 8. Journal vouchers and journal entries including supporting detail: | |
| (a) Journal vouchers and journal entries | 10 years. |
| (b) Analyses, summarizations, distributions, and other computations which support journal vouchers and journal entries: | |
| (1) Charging plant accounts | 25 years. See §225.2(g). |
| (2) Charging all other accounts | 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. See §225.2(g). |
| 11. Vouchers: | |
| (a) Paid and canceled vouchers (1 copy-analysis sheets showing detailed distribution of charges on individual | 5 years. See §225.2(g). |

| | |
|---|---|
| vouchers and other supporting papers) | |
| (b) Original bills and invoices for materials, services, etc., paid by vouchers | 5 years. See §225.2(g). |
| (c) Paid checks and receipts for payments of specific vouchers | 5 years. |
| (d) Authorization for the payment of specific vouchers | 5 years. See §225.2(g). |
| (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills | Destroy at option. |
| (f) Voucher indexes | Destroy at option. |
| Insurance | |
| 12. Insurance records: | |
| (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates | Destroy at option after expiration. |
| (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 §225.2(g). |
| Operations and Maintenance | |
| 13. Production—Gas: | |
| (a) Recording instrument charts such as pressure (static and/or differential), temperature, specific gravity, heating value, etc | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (b) Test of heating value at stations and outlying points | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (c) Records of gas produced, out, and holder stock | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (d) Analysis of (gas produced) B.T.U. and | If the measurement data have |

| | |
|--|---|
| sulphur content | not been disputed or adjusted, destroy after 1 year. |
| (e) 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 |
| (f) Gas measuring records | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| 14. Transmission and distribution—Gas: | |
| (a) Substation and transmission line log | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (b) System operator's daily logs and reports of operation | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (c) Gas measuring records | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (d) Transmission line operating reports | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (e) Compression operation and reports | If the measurement data have not been disputed or adjusted, destroy after 1 year. |
| (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 1 year. |
| 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. See §225.2(g). |
| (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. See §225.2(g). |
| 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. |
| (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. |
| (h) Well-drilling logs and well construction records | 1 year after field or well is abandoned. |

| | |
|--|---|
| 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 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. |
| (c) Registers of retirement work | 5 years. |
| 19. 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: | |
| (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 | Retained until retired or |

| | |
|--|---|
| 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 | abandoned. |
| 22. Contracts relating to natural gas plant: | |
| (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 | 6 years after plant is retired or sold. |
| 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: | |
| (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 | 25 years. |
| 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. See §225.2(g). |
| (2) For other goods or services | 6 years. |
| (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 §225.2(g). |
| 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. See §225.2(g). |
| 28. Records of sales of scrap and materials and supplies: | |
| (a) Authorization for sale of scrap and materials and supplies | 3 years. |
| (b) Contracts for sale of scrap and materials and supplies | 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 | If the measurement data have not been disputed or adjusted, |

| | |
|---|--|
| card | destroy after 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 years after final tax liability is determined. |
| (2) Property tax returns | 2 years after final tax liability is determined. |
| (3) Sales and other use taxes | 2 years. |
| (4) Other taxes | 2 years after final tax liability is determined. |
| (5) Agreements between associate companies as to allocation of consolidated income taxes | 2 years after final tax liability is determined. |
| (6) Schedule of allocation of consolidated Federal income taxes among associate companies | 2 years after final tax liability is determined. |
| (b) Filings with taxing authorities to qualify employee benefit plans | 5 years after discontinuance of plan. |
| (c) Information returns and reports to taxing authorities | 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 | Retain records for the most recent 3 years. |
| (b) Statements of periodic withdrawals from fund | Retain records for the most recent 3 years. |
| (c) Statements prepared by fund administrator or trustees of fund activity including: | Retain records until the fund is dissolved or terminated. |
| (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. | |
| 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 of audit by independent accountants. |
| (b) Check stubs, registers, or other records of checks issued | 3 years. |
| 37. Records of receipts and disbursements: | |
| (a) Daily or other periodic statements of fund receipts or disbursements | Destroy at option after completion of annual audit by independent accountants. |
| (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. |
| (c) Reports of associates showing working fund transactions and summaries thereof | Destroy at option after completion of annual audit by |

| | |
|--|---|
| | independent accountants. |
| (d) Reports of revenue collections by field cashiers, pay stations, etc | 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. |

[Order 617, 65 FR 48161, Aug. 7, 2000; 65 FR 50638, Aug. 21, 2000]

PART 356—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.

Source: Order 617, 65 FR 48166, Aug. 7, 2000, unless otherwise noted.

§ 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 enforceable 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 these regulations.

(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, Executive Committees, and Stockholders
3. Titles, franchises, and authorities.
4. Contracts and agreements.
5. Accountants', auditors', and inspectors' 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 tax returns and supporting schedules.
- 16. Information returns, and reports to taxing authorities.

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. and description | Retention period |
|---------------------------------|-------------------------|
|---------------------------------|-------------------------|

| Corporate and General | |
|--|---|
| 1. Incorporation and reorganization: | |
| (a) Charter of certificate of incorporation and amendments | Permanently or at termination of the corporation's existence. |
| (b) Legal documents related to mergers, consolidations, reorganizations, receiverships, and similar actions which affect the identity or organization of the company | 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 | Until expiration or cancellation. |
| (b) Operating authorizations and exemptions to operate issued by regulating bodies | Until expiration or cancellation. |
| (c) Copies of formal orders of regulatory bodies served upon the company | 1 year after expiration or cancellation. |
| (d) Deeds, charters, and other title papers | 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 U.S.C. 20) | 4 years after expiration, provided there is no pending litigation or governmental inquiry or proceeding involved. |
| (b) Service contracts, such as for operational management, accounting, financial or legal service, and agreements with agents | 3 years after expiration or termination. |
| (c) Contracts and other agreements relating to the construction, acquisition or sale of real property and equipment except as otherwise provided in paragraph (a) of this item | 3 years after expiration or termination. |
| 5. Accountant's, auditor's, and inspector's reports: | |
| (a) Certifications and reports of examinations | 3 years. |

| | |
|--|-------------------------------|
| 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. |
| 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. |
| (b) Balance sheets and trial balance sheets of general and subsidiary ledgers | 3 years. |
| 8. Journals: | |
| (a) General journals | 3 years. |
| (b) Subsidiary journals and any supporting data, except as otherwise provided for, necessary to explain journal entries | 3 years. |
| (c) Schedules of recurring or standard journal entries with entry identifications | Until superseded. |
| 9. Vouchers: | |
| (a) Voucher registers or equivalent | 5 years. |
| (b) Paid and canceled vouchers, expenditure authorizations, detailed distribution sheets, and other supporting data including original bills and invoices, except as otherwise provided herein | 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 | 3 years after disposition of property. |
| (b) Records and additions and betterments made to property and equipment | 3 years after disposition of property. |
| (c) Records pertaining to retirements and replacements of property and equipment | 3 years after disposition of property. |
| (d) Records pertaining to depreciation: | |
| (1) When group method and depreciation rates are prescribed by the Commission | 3 years after disposition of property. |
| (2) Other | 3 years after disposition of property. |
| (e) Records of equipment number changes | 3 years after disposition of property. |
| (f) Records of motor and engine changes | Destroy at option. |
| (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 after disposition of property. |
| (h) Periodical inventories of property and equipment | 3 years after prior inventory. |
| 13. Engineering records: | |
| (a) Plans and specifications | 3 years after the disposition of the property. |
| (b) Estimates of work, engineering studies, construction bids, and similar data pertaining to property changes actually made | 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. |
| 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 | 3 years after final tax liability is determined. |
| (b) Property tax returns | 3 years after final tax liability is determined. |
| (c) Sales and other use taxes | 3 years final tax liability is determined. |
| (d) Other taxes | 3 years after final tax liability is determined. |
| (e) Agreements between associate companies as to allocation of consolidated income taxes | 3 years after final tax liability is determined. |
| (f) Schedule of allocation of consolidated Federal income taxes among associate companies | 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 | 3 years. |
| (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. |
| (c) Statements of oil and oil products consumed as fuel including quantity value, and where consumed | 3 years. |
| (d) Statement of oil and other products lost by line breaks and leaks including quantity, value, and location of breaks and leaks | 3 years. |
| (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. |
| (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. |
| (g) Division or other periodical inventory reports of oil and other products on hand | 3 years. |
| (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. |
| (i) Directions received by the carrier for the transfer of division order interests from one interest owner to another | 3 years after discontinuance. |
| (j) Transfer orders for the transfer of ownership of oil or other products in carrier's custody | 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 cancelation. |
| 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 cancelation. |
| 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 cancelation 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. |