

## Federal Energy Regulatory Commission

## § 368.1

the cost of providing service, the associate utility company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, and other similar forms of advertisement. Entries relating to advertising included in this account must contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message must be readily available.

(e) Exclude from this account and include in account 426.4, Expenditures for certain civic, political and related activities (§367.4264), expenses for advertising activities that are designed to solicit public support or the support of public officials in matters of a political nature.

### § 367.9302 Account 930.2, Miscellaneous general expenses.

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

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

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

(1) Industry association dues for company memberships.

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

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

(4) Communication service not chargeable to other accounts.

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

(6) Stockholders meeting expenses.

(7) Dividend and other financial notices.

(8) Printing and mailing dividend checks.

(9) Directors' fees and expenses.

(10) Publishing and distributing annual reports to stockholders.

(11) Public notices of financial, operating and other data required by regulatory statutes, not including, however, notices required in connection

with security issues or acquisitions of property.

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

### § 367.9310 Account 931, Rents.

This account must include rents, including taxes, paid for the property of others used, occupied or operated in connection with service company functions. Provide subaccounts for major groupings such as office space, warehouses, other structure, office furniture, fixtures, computers, data processing equipment, microwave and telecommunication equipment, airplanes, automobiles, and other similar groupings of property. The cost, when incurred by the lessee, of operating and maintaining leased property, must be charged to the accounts appropriate for the expense as if the property were owned.

### § 367.9350 Account 935, Maintenance of structures and equipment.

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

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

Sec.

368.1 Promulgation.

368.2 General instructions.

368.3 Schedule of records and periods of retention.

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

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

### § 368.1 Promulgation.

This part is prescribed and promulgated as the regulations governing the preservation of records by any holding company and by any service company

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## 18 CFR Ch. I (4-1-18 Edition)

within a holding company system subject to the jurisdiction of the Commission under the Public Utility Holding Company Act of 2005 (42 U.S.C. §§ 16451 *et seq.*).

### § 368.2 General instructions.

(a) *Scope of this part.* (1) The regulations in this part apply to all books of account and other records prepared, maintained or held by any agent or employee on behalf of the company. The specification in the schedule in § 368.3 of a record related to a type of transaction includes all documents and correspondence, not redundant or duplicative of other records retained, needed to explain or verify the transaction.

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

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

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

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

(6) Records, other than those listed in the schedule, may be destroyed at the option of the company. However, records that are used in lieu of those

listed must be preserved for the periods prescribed for the records used for substantially similar purposes. Additionally, retention of records pertaining to added services, functions, plant, and other similar service, the establishment of which cannot be presently foreseen, must conform to the principles embodied in this section.

(7) Notwithstanding the provisions of the records retention schedule in this section, the Commission may, upon the request of the company, authorize a shorter period of retention for any record listed in the schedule upon a showing by the company that preservation of the 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 company subject to these record retention regulations must designate one or more officials to supervise the preservation or authorized destruction of its records.

(c) *Protection and storage of records.* The company must provide reasonable protection from damage by fire, flood, and other hazards for records required by these record retention regulations to be preserved and, in the selection of storage space, safeguard such records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

(d) *Index of records.* At each site or location where company records are kept or stored, the records must be arranged, filed, and currently indexed so that records may be readily identified and made available for inspection by authorized representatives of any regulatory agency concerned, including the Commission.

(e) *Record storage media.* Each 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 § 368.3 of this chapter unless there is a quality transfer from one media to another with no loss of data.

(2) Each company is required to implement internal control procedures that assure the reliability of, and ready

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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.

(f) *Destruction of records.* At the expiration of the retention period, the company may use any appropriate method to destroy records. Precautions should be taken, however, to macerate or otherwise destroy the legibility of records, the content of which is forbidden by law to be divulged to unauthorized persons.

(g) *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 90 days from the date of discovery of the destruction.

(h) *Schedule of records and periods of retention.* The schedule of records retention periods constitutes a part of these records retention regulations. The schedule prescribes the periods of time that designated records must be preserved. Plant records related to public utilities and licensees and natural gas companies must be retained in accordance with §§125.3 and 225.3 of this chapter.

(i) *Retention periods designated "Destroy at option."* "Destroy at option" constitutes authorization for destruction of records at managements' discre-

tion if the destruction does not conflict with other legal retention requirements or usefulness of the records in satisfying pending regulatory actions or directives. "Destroy at option after audit" requires retention until the company has received an opinion from its independent accountants with respect to the financial statements including the transactions to which the records relate.

(j) *Records of services performed by associate companies.* Holding companies and service companies must assure the availability of records of services performed by and for public utilities and licensees and natural gas companies with supporting cost information for the periods indicated in §§125.3 and 225.3 of this chapter 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.

(k) *Rate case.* Notwithstanding the minimum retention periods provided in these regulations, the company must retain the appropriate records to support the costs and adjustments proposed in any rate case.

(l) *Pending complaint litigation or governmental proceedings.* Notwithstanding the minimum requirements, if a 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 property is retired, whichever is longer.

**§ 368.3 Schedule of records and periods of retention.**

SCHEDULE OF RECORDS AND PERIODS OF RETENTION

Item No. and description	Retention period
<b>Corporate and General</b>	
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.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item No. and description	Retention period
(b) Title, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the company.	6 years after final non-appealable order.
(1) Certificates of incorporation, or equivalent agreements and amendments thereto.	Life of corporation.
(2) Deeds, leases and other title papers (including abstracts of title and supporting data), and contracts and agreements related to the acquisition or disposition of property or investments.	6 years after property or investment is disposed of unless delivered to transferee.
3. Contracts and agreements: Contracts, including amendments and agreements (except contracts provided for elsewhere):	
(a) Service contracts, such as for management, consulting, accounting, legal, financial or engineering 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) Memoranda essential to clarify or explain provisions of contracts and agreements.	For same period as contract to which they relate.
(c) 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.
(d) Contracts and other agreements relating to services performed in connection with construction of property (including contracts for the construction of property by others for the company and for supervision and engineering relating to construction work).	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.
4. Accountants' and auditors' reports:	
(a) Reports of examinations and audits by accountants and auditors not in the regular employ of the 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.
<b>Information Technology Management</b>	
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.
<b>General Accounting Records</b>	
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 property accounts .....	25 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies.
(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) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies.
11. Vouchers:	

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item No. and description	Retention period
(a) Paid and canceled 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 ..... (g) Purchases and stores records related to disbursement vouchers.	5 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. 5 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. 5 years. 5 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. Destroy at option. Destroy at option. 5 years.
<b>Insurance</b>	
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. (c) Records of self-insurance against: (1) losses from fire and casualty, ..... (2) damage to property of others, and ..... (3) personal injuries ..... (d) Inspectors' reports and reports of condition of property.	Destroy at option after expiration of such policies. 6 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. 6 years after date of last accounting entry with respect thereto. 6 years after date of last accounting entry with respect thereto. 6 years after date of last accounting entry with respect thereto. Destroy when superseded.
<b>Maintenance</b>	
13. Maintenance project and work orders: (a) Authorizations for expenditures for maintenance work to be covered by project or work orders, including memoranda showing the estimates of costs to be incurred. (b) Project or 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 company operations. (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of property accounts).	5 years. 5 years. 5 years.
<b>Property, Depreciation and Investments</b>	
14. Property records, excluding documents included in Item 2(a)(2): (a) Ledgers of property accounts including land and other detailed ledgers showing the cost of property by classes. (b) Continuing property inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of property owned. (c) Operating equipment records ..... (d) Office furniture and equipment records ..... (e) Automobiles, other vehicles and related garage equipment records. (f) Aircraft and airport equipment records ..... (g) Other property records not defined elsewhere .....	25 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. 25 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies. 3 years after disposition, termination of lease, or write-off of property or investment. 3 years after disposition, termination of lease or write-off of property or investment. 3 years after disposition, termination of lease or write-off of property or investment. 3 years after disposition, termination of lease or write-off of property or investment. 3 years after disposition, termination of lease or write-off of property or investment.
15. Construction work in progress ledgers, project or work orders, and supplemental records:	3 years after disposition, termination of lease or write-off of property or investment.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item No. and description	Retention period
(a) Construction work in progress ledgers .....	5 years after clearance to property account, provided continuing inventory records are maintained; otherwise 5 years after property is retired.
(b) Project or work orders sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for property additions and the entries closing the project or work orders to property records at completion.	5 years after clearance to property account, provided continuing inventory records are maintained; otherwise 5 years after property is retired.
(c) Authorizations for expenditures for additions to property, including memoranda showing the detailed estimates of cost, and the bases therefore (including original and revised or subsequent authorizations).	5 years after clearance to property account.
(d) Requisitions and registers of authorizations for property expenditures.	5 years after clearance to property account.
(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for property additions.	5 years after clearance to property account.
(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 property account.
(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.
16. Retirement work in progress ledgers, project or work orders, and supplemental records:	
(a) Project or work order sheets to which are posted the entries for removal costs, materials recovered, and credits to property accounts for cost of property retirement.	5 years after the property is retired.
(b) Authorizations for retirement of property, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs.	5 years after the property is retired.
(c) Registers of retirement work .....	5 years.
17. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to property accounts not covered by construction or retirement project or work orders and their supporting records.	5 years.
18. 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.
19. Production maps, geological maps, reproductions, including aerial photographs, showing the location of all facilities the subject matter of which falls within the project or work orders of the company.	6 years after completion of project or work order.
20. Engineering records, drawings, supporting data to include diagrams, profiles, photographs, field-survey notes, plot plans, detail drawings, and records of engineering studies that are part of or performed by the company within the project or work order system.	6 years after completion of project or work order.
21. Records of building space occupied by various departments of the company.	6 years.
22. Contracts relating to property:	
(a) Contracts relating to acquisition or sale of property	6 years after property is retired or sold
(b) Contracts and other agreements relating to services performed in connection with construction of property (including contracts for the construction of property by others for the company and for supervision and engineering relating to construction work).	6 years after property is retired or sold.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item No. and description	Retention period
23. Records pertaining to reclassification of property 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 property and amortization of intangible property and supporting computation of expense:	
(a) Detailed records or analysis sheets segregating the accumulated depreciation according to the classification of property.	3 years after retirement or disposition of property
(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 company property.	3 years after retirement or disposition of property
25. Investment records:	
(a) Records of investment in associate companies .....	3 years after disposition of investment.
(b) Records of other investments, including temporary investments of cash.	3 years after disposition of investment.
<b>Purchase and Stores</b>	
26. Procurement:	
(a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements 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 property construction.	6 years. See §§ 125.2(g) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies.
(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) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies.
27. Material ledgers: Ledger sheets of materials and supplies received, issued, and on hand.	6 years after the date the records/ledgers were created.
28. 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) and 225.2(g) of this chapter for public utilities and licensees and natural gas companies).
<b>Revenue Accounting</b>	
29. Miscellaneous billing data: Billing department's copies of contracts with customers (other than contracts in general files).	5 years.
30. Revenue summaries: Summaries of monthly revenues according to classes of service. Including summaries of forfeited discounts and penalties.	5 years.
<b>Tax</b>	
31. 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 Item 11 for vouchers evidencing disbursements:	
(1) Income tax returns .....	2 years after final tax liability is determined.
(2) Agreements between and schedule of allocation by associate companies of consolidated Federal income taxes.	2 years after final tax liability is determined.
(b) Other taxes, including State or local property or income taxes.	
(1) Property tax returns .....	2 years after final tax liability is determined.
(2) Sales and other use taxes .....	2 years.
(3) Other Taxes .....	2 years after final tax liability is determined.
(c) Filings with taxing authorities to qualify employee benefit plans.	5 years after discontinuance of plan.
(d) Information returns and reports to taxing authorities.	3 years after final tax liability is determined.

## SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Item No. and description	Retention period
<b>Treasury</b>	
32. Statements of funds and deposits:	
(a) Summaries and periodic statements of cash balances on hand and with depositories for company or associate.	Destroy at option after completion of audit by independent accountants.
(b) Requisitions and receipts for funds furnished associates and others.	Destroy at option after funds have been returned or accounted for.
(c) Statements of periodic deposits with external fund administrators or trustees.	Retain records for the most recent 3 years.
(d) Statements of periodic withdrawals from external fund.	Retain records for the most recent 3 years.
33. Records of deposits with banks and others:	
(a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit, bank reconciliation papers and statements of interest credits.	Destroy at option after completion of audit by independent accountants.
(b) Check stubs, registers, or other records of checks issued.	6 years.
<b>Payroll Records</b>	
34. Payroll records:	
(a) Payroll sheets or registers of payments of salaries and wages, pensions and annuities paid by company or by contractors of its account.	6 years.
(b) Records showing the distribution of salaries and wages paid for each payroll period and summaries or recapitulations of such distribution.	6 years.
<b>Miscellaneous</b>	
35. Financial, operating and statistical annual reports regularly prepared in the course of business for internal administrative or operating purposes.	5 years.
36. 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.
37. Periodic or special reports filed by the company on its own behalf with the Commission or with any other Federal or State rate-regulatory agency, including exhibits or amendments to such reports:	
(a) Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports.	5 years.
(b) Monthly and quarterly reports of operating revenues, expenses, and statistics.	5 years.
38. 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 369—STATEMENTS AND REPORTS (SCHEDULES)**

AUTHORITY: 42 U.S.C. 16451–16463.

SOURCE: Order 684, 71 FR 65267, Nov. 7, 2006, unless otherwise noted.

**§ 369.1 FERC Form No. 60, Annual report of centralized service company.**

(a) *Prescription.* The form of annual report for centralized service companies, designated as FERC Form No. 60, is prescribed for the reporting year 2008 and each subsequent year.