

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PUBLIC SERVICE COMMISSION

PRESERVATION OF RECORDS OF ELECTRIC, GAS, AND STEAM UTILITIES

Filed with the secretary of state on November 18, 2021

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the public service commission by section 5 of 1919 PA 419 and section 4 of 1939 PA 3, MCL 460.4)

R 460.2501, R 460.2503, R 460.2505, R 460.2506, R 460.2509, R 460.2519, R 460.2520, R 460.2521, R 460.2522, R 460.2524, R 460.2531, R 460.2532, R 460.2533, R 460.2534, R 460.2543, R 460.2545, R 460.2546, R 460.2568, R 460.2568a, R 460.2569a, R 460.2569b, R 460.2572, of the Michigan Administrative Code are amended, and R 460.2505a, R 460.2505b, R 460.2505c, and R 460.2568b are rescinded to read as follows:

PART I. GENERAL PROVISIONS

R 460.2501 Scope.

Rule 1. (1) These rules apply to all books of account and other records prepared by or on behalf of the public utility. See R 460.2582 for records that come into the possession of the public utility in connection with the acquisition of property, such as a purchase, consolidation, or merger.

(2) These rules shall not be construed as excusing compliance with any other lawful requirement for the preservation of records for periods longer than those prescribed in these rules. When a gas utility collects rates authorized by this commission based on increased supplier rates collected under bond under the authority of the Federal Energy Regulatory Commission (FERC), this utility shall maintain sufficient gas consumption records to enable the calculation of refunds to individual customers as may be ordered by the Michigan public service commission. This requirement continues in effect until final action by FERC or until the final decree of the court, if appealed to the court, and until the time when the Michigan public service commission has entered its order authorizing appropriate refunds if applicable.

(3) Unless otherwise specified in part 2 of these rules, duplicate copies of records may be destroyed at any time if the duplicate copies do not contain significant information not shown on the originals.

(4) Records other than those listed in part 2 of these rules may be destroyed at the option of the public utility if records that are used in place of those listed will be preserved for the periods prescribed for the records used for substantially similar purposes and if the retention of records

pertaining to added services, functions, and plant, the establishment of which cannot be presently foreseen, will conform to the principles embodied in these rules.

(5) Upon written request of a public utility, or on its own motion, the commission may waive any requirements of these rules when it determines that the waiver will further the effective and efficient administration of these rules and is in the public interest.

#### R 460.2503 Protection and storage of records.

Rule 3. The public utility shall provide reasonable protection for records subject to these rules from damage by fires, floods, and other hazards and shall safeguard the records from unnecessary exposure to deterioration. The public utility shall also operate a back-up system to preserve electronic information and records that are required to be retained under these rules.

#### R 460.2505 Preservation of record storage media generally.

Rule 5. A public utility has the flexibility to select its own storage media, subject to the following conditions:

(a) The storage media selected must have a life expectancy at least equal to the applicable record retention period provided in part 2 of these rules unless there is a quality transfer from 1 media to another with no loss of data.

(b) A public utility shall implement internal control procedures that ensure the reliability of, and ready access to, data stored on machine-readable media. Internal control procedures shall be documented by a responsible supervisory official.

(c) A transfer of data from 1 media to another must be verified for accuracy and documented. Software and hardware required to produce readable records shall be retained for the same period as the media format is used.

R 460.2505a Rescinded.

R 460.2505b Rescinded.

R 460.2505c Rescinded.

#### R 460.2506 Destruction of records.

Rule 6. At the expiration of the retention period, a public utility may use any appropriate method to destroy records as long as the method ensures the full destruction of information contained in the documents that is forbidden by law from being divulged to unauthorized persons.

#### R 460.2509 Retention periods designated "Destroy at option."

Rule 9. Use of the retention period, "Destroy at option," in these rules authorizes the destruction of records at management's discretion if the destruction of the records does not conflict

with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

## PART 2. SCHEDULE OF RECORDS AND PERIODS OF RETENTION

R 460.2519 Contracts and agreements; retention periods.

Rule 19. Except as provided elsewhere in these rules, the following contract and agreement records shall be retained for the periods listed:

(a) Service contracts, such as for management, accounting, and financial services including related memoranda and revisions.	See R 460.2522(b)(i) if they affect cost of plant; otherwise, 6 years after expiration or cancellation or until the conclusion of any contract disputes or governmental proceedings pertaining to these contracts, whichever is later.
(b) Contracts with other utilities for the purchase, sale, or interchange of product, including related memoranda or revisions.	6 years after expiration or cancellation or until the conclusion of any contract disputes or governmental proceedings pertaining to these contracts, whichever is later.
(c) Leases pertaining to rentals of property to or from others.	6 years after expiration or cancellation or until the conclusion of any contract disputes or governmental proceedings pertaining to these contracts, whichever is later.
(d) Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours, and similar matters.	6 years after expiration or cancellation or until the conclusion of any contract disputes or governmental proceedings pertaining to these contracts, whichever is later.
(e) Contracts, agreements, and other essential records necessary to the carrying out of the functions of an employee's stock purchase or other type of employees' saving plan.	6 years after expiration or cancellation.
(f) Memoranda essential to clarifying or explaining provisions of contracts listed in subdivisions (a) to (e) of this rule.	For same periods as contracts to which they relate.
(g) Card or book records of contracts leases, and agreements made, which show dates of expirations, dates of renewals, memoranda of receipts, and payments under such contracts, leases, and agreements.	For same periods as contracts to which they relate.

(h) Contracts or agreements for the acquisition or disposal of investments, excluding temporary cash investments.	25 years after disposal.
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R 460.2520 General and subsidiary ledgers; retention periods.

Rule 20. The following ledger records shall be retained for the periods listed:

(a) General ledgers.	10 years.
(b) Ledgers subsidiary or auxiliary to general ledgers, except ledgers provided for elsewhere in these rules.	10 years.
(c) Indexes to general ledgers.	10 years.
(d) Indexes to subsidiary ledgers except ledgers provided for elsewhere in these rules.	10 years.
(e) Trial balance sheets of general and subsidiary ledgers.	2 years.

R 460.2521 Journals; retention period.

Rule 21. General and subsidiary journals, including departmental and divisional journals, shall be retained for a period of 10 years.

R 460.2522 Journal vouchers and entries; retention periods.

Rule 22. The following journal voucher and entry records shall be retained for the periods listed:

(a) General, departmental, divisional, and petty journal vouchers.	25 years.
(b) Materials and supplies disbursement, labor distribution, and other detail summarization and distribution records that support journal vouchers or journal entries as follows:	

(i) Charging plant accounts.	6 years, if accounting adjustments resulting from reclassification and original cost studies have been approved by the regulatory commissions having jurisdiction and if continuing plant inventory records are maintained or unitization of construction costs appear in work orders; otherwise 25 years. For licensed projects, time tickets, and material issued and material returned tickets may be destroyed at option if the basic information contained in the accounts is transcribed to other records and if such other records are retained pursuant to this instruction. Basic information regarding time tickets includes, at a minimum, for the purpose of this instruction, hours worked and the distribution of time to the proper job or account.
(ii) Charging all other accounts.	6 years.
(c) Papers forming part of, or necessary to explain, journal vouchers or journal entries, except as covered in subdivision (b) of this rule.	25 years.
(d) Schedules for recurring journal entries.	Destroy when superseded.
(e) Lists of standard journal entry numbers.	Destroy when superseded.

R 460.2524 Vouchers and voucher registers; retention periods.

Rule 24. (1) The following voucher records shall be retained for the periods listed:

(a) Paid and canceled vouchers (1 copy) analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers.	6 years, as specified in R 460.2522(b)(i) and (ii), except that those relating to the construction of licensed projects, additions or betterment of those projects, or the amortization reserve applicable to those projects, for which the commission has not determined the actual legitimate original cost, shall be retained until such cost has been determined.
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(b) Original bills and invoices for materials and services paid by vouchers.	6 years as specified in R 460.2522(b)(i) and (ii), except that those relating to the construction of licensed projects, additions or betterment of those projects, or the amortization reserve applicable to those projects, for which the commission has not determined the actual legitimate original cost, shall be retained until this cost has been determined.
(c) Paid checks and receipts for payments by voucher or otherwise.	6 years.
(d) Authorization for the payment of specific vouchers.	6 years.
(e) Lists of unaudited bills (accounts payable), lists of vouchers transmitted, and memoranda regarding changes in unaudited bills.	Destroy at option.
(f) Voucher indexes.	Destroy at option.

(2) Voucher registers or similar records shall be retained for a period of 6, as specified in R 460.2522(b)(i) and (ii).

R 460.2531 Automatic data processing record; retention periods.

Rule 31. (1) The following automatic data processing records shall be retained for the periods listed:

(a) Media used as intermediate records or steps in data processing for assembling data to be posted to the records of the company or used in a report or study.	Destroy at option.
(b) Program documentation and revisions to this documentation.	Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter.

(2) Original source data used as input for data processing and data processing report printouts shall be retained for the applicable periods prescribed elsewhere in the schedule.

R 460.2532 Plant ledgers; retention periods.

Rule 32. The following plant ledgers and records shall be retained for the periods listed:

(a) Ledgers of utility plant accounts, including land and other detailed ledgers that show the cost of utility plant by classes.	25 years.
(b) Continuing plant inventory ledger, book, or card records that show the description, location, quantity cost, and similar information of physical units, or items, of utility plant owned.	25 years after the plant is retired if mortality data are retained. For depreciation purposes, life or mortality study data shall be retained for the life of the corporation.

R 460.2533 Construction ledgers, work orders, and supplemental records; retention periods.

Rule 33. The following construction work in progress ledgers, work orders, and supplemental records shall be retained for the periods listed:

(a) Construction work in progress ledgers.	5 years after clearance to the plant account if continuing plant inventory records are maintained; otherwise, 5 years after the plant is retired.
(b) Work order sheets that show entries for labor, materials, and other charges for utility plant additions, and entries closing the work orders for utility plant in service at completion.	5 years after clearance to the plant account if continuing plant inventory records are maintained; otherwise, 5 years after the plant is retired.
(c) Authorizations for expenditures for additions to utility plant, including memoranda that show the detailed estimates of cost and the basis for that estimated cost. Original and revised or subsequent authorizations shall be included.	5 years.
(d) Requisitions and registers of authorizations for utility plant expenditures.	5 years.
(e) Completion or performance reports that show the comparison between authorized estimates and actual expenditures for utility plant additions.	5 years.
(f) Analysis or cost reports that show quantities of materials used, unit costs, number of man-hours, and similar information in connection with completed construction projects.	5 years after clearance to the plant account if continuing plant inventory records are maintained; otherwise, 6 years after the plant is retired.

(g) Records and reports that pertain to the progress of construction work, the order in which jobs are to be completed, and similar records that do not form a basis of entries to the accounts.	Destroy at option.
(h) Records of gas acreage owned, leased, or optioned; lease records; well-drilling logs and well-construction records; and geological and photographic maps of field.	1 year after the facility or relevant production area is abandoned.

R 460.2534 Retirement ledgers, work orders, and supplemental records; retention periods.

Rule 34. The following retirement work in progress ledgers, work orders, and supplemental records shall be retained for the periods listed:

(a) Work order sheets that have the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retired posted to them.	5 years after the plant is retired if mortality data are retained.
(b) Authorization for retirement of utility plant, including memoranda that show the basis for the determination of the cost of plant to be retired and estimates of salvage and removal costs.	5 years after clearance to the plant account if continuing plant inventory records are maintained; otherwise, 5 years after the plant is retired, if mortality data are retained.
(c) Registers of retirement work orders.	5 years.

R 460.2543 Deposit records; retention periods.

Rule 43. The following deposit records shall be retained for the periods listed:

(a) Bank deposit books.	1 year.
(b) Copies of bank deposit slips.	1 year.
(c) Advice of deposits made when information about the deposits is shown on other records that are retained.	Destroy at option.
(d) Statements from depositories that show the details of funds received, disbursed, and transferred and balances on deposits.	Destroy at option.
(e) Bank reconciliation papers.	1 year.
(f) Statements from banks of interest credits.	1 year.

(g) Check stubs, registers, or other records of checks issued.	3 years.
(h) Correspondence and memoranda that relate to the stopping of payment of bank checks and to the issuance of duplicate checks.	3 years or destroy at option after recovery of the check(s).

R 460.2545 Customer service applications and contracts; retention periods.

Rule 45. The following customer service applications and contracts shall be retained for the periods listed:

(a) Applications for utility service for which contracts have been executed.	Destroy at option.
(b) Applications for utility service used in place of contracts.	1 year.
(c) Contracts and card files, or other records thereof, with customers for utility service.	1 year after expiration or cancellation. If the contracts are with other utilities for the purchase, sale or interchange of product, R 460.2519(b) applies.
(d) Applications for utility service that were withdrawn by the applicant or not granted by the utility.	1 year.
(e) Contracts or sales agreements with customers and others for the sale of merchandise and appliances.	1 year after sales agreement is discharged.
(f) Contracts for the lease of equipment to customers, including receipts for this equipment.	1 year after expiration of contract or return of equipment.
(g) Applications and contracts for extensions covered by refundable deposits or guarantees of revenue and records that pertain to such contracts.	1 year after entire amount is refunded.
(h) Applications and contracts for extensions for which donations or contributions are made by customers or other individuals.	6 years after expiration.

R 460.2546 Rate schedules; retention periods.

Rule 46. The following rate schedule records shall be retained for the periods listed:

(a) General files of published rate sheets and schedules of utility service, including schedules suspended or superseded.	6 years.
(b) Regional or local office copies of rate sheets and schedules of utility service.	1 year after expiration or cancellation.

R 460.2568 Electricity production records; retention periods.

Rule 68. The following electricity production records shall be retained for the periods listed:

(a) Boiler room, condenser room, turbine room, and pump room logs, including supporting data.	3 years.
(b) Boiler room and turbine room reports of equipment in service and performance.	3 years.
(c) Boiler-tube failure report.	3 years.
(d) Generation and output logs with supporting data.	3 years.
(e) Station and system generation reports.	25 years, except that those relating to licensed projects, or additions or betterments to those projects, for which the commission has not determined the actual legitimate original cost, shall be retained 25 years and until this cost has been determined.
(f) Generating high-tension and low-tension load records.	3 years.
(g) Oil and waste reports.	3 years.
(h) Load curves, temperature logs, and coal and water logs.	3 years.
(i) Gage reading reports.	2 years, except that river-flow data collected in connection with hydro-operation shall be retained for the life of the corporation.
(j) Recording instrument charts.	1 year, except that where the basic chart information is transferred to another record, the charts shall be retained for only 6 months if the record that contains the basic data is retained for 1 year.

(k) Load dispatcher's and station permits.	1 year, except that where the basic chart information is transferred to another record, the charts shall be retained for only 6 months if the record that contains the basic data is retained for 1 year.
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R 460.2568a Manufactured Gas Plant Site records; retention periods.

Rule 68a. Manufactured gas plant site records shall be retained for a minimum of 10 years past an Environmental Protection Agency (EPA) or Michigan Department of Environment, Great Lakes, and Energy (EGLE) approval of the completed remediation or 10 years after the final remediation amounts have been approved by the commission, whichever is longer. The company shall offer to submit technical documents supporting the remedial activities to the commission before their destruction.

R 460.2568b Rescinded.

R 460.2569a Gas transmission and distribution records; retention periods.

Rule 69a. The following gas transmission and distribution records shall be retained for the periods listed:

(a) Transmission line logs.	If records are not disputed or adjusted, destroy after 1 year.
(b) Transmission and distribution department load dispatching operating logs.	If records are not disputed or adjusted, destroy after 1 year.
(c) Service interruption logs and reports.	6 years.
(d) Records of general inspections and operating tests.	3 years.
(e) Reports on inspections and repairs of all street openings.	6 years.
(f) Apparatus failure reports.	6 years.
(g) Records of meter tests.	Until superseding test, but not less than 2 years or as may be necessary to comply with service rules regarding refunds on fast meters.
(h) Meter history records.	For the life of the meter.
(i) Meter shop reports that are monthly reports summarizing tests and repairs.	3 years.
(j) Gas measuring records.	1 year, unless measurement data have been disputed or adjusted.

(k) Transmission line operating reports.	1 year, unless measurement data have been disputed or adjusted.
(l) Compressor operation and reports.	1 year, unless measurement data have been disputed or adjusted.
(m) Gas pressure department reports.	1 year, unless measurement data have been disputed or adjusted.
(n) Recording instrument charts, such as pressure (static and differential), temperature, specific gravity, and heating value.	1 year, unless measurement data have been disputed or adjusted; except that where charts are exchanged with the customer and the basic information is transferred to another record, the charts shall be retained for only 6 months if the record that contains the basic chart data is retained for 1 year.

R 460.2569b Underground storage of natural gas.

Rule 69b. The following underground storage of natural gas records shall be retained for the time periods listed:

(a) Well records, reports, and logs that 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.

R 460.2572 Statistics; retention periods.

Rule 72. The following statistical records shall be retained for the periods listed:

(a) Annual financial, operating, and statistical reports regularly prepared in the course of business for internal administrative or operating purposes (and not used as the basis for entries to the accounts of the companies concerned) to show the results of operations and the financial condition of the utility.	5 years after date of report.
(b) Quarterly, monthly, or other periodic financial, operating, and other statistical reports as described in subdivision (a) of this rule.	2 years.
(c) All other statistical reports not covered elsewhere in these rules that are prepared for internal administrative or operating purposes only and that are not used as the basis for entries to the accounts of the company.	Destroy at option.
(d) Summaries of expenditures on maintenance and job orders and clearance to operating and other accounts, exclusive of plant accounts.	6 years.