

LEM

Decision No. 18636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on)
the Commission's own motion for the)
purpose of prescribing a new Uniform)
System of Accounts for all electric)
and gas corporations other than those)
affected by Decisions Nos. 11353 and)
12691.)

ORIGINAL

Case Number 2173

- D. L. Beard, for Napa Valley Electric Company
- Albert Caspar, for Vallejo Electric Light and Power Company
- J. W. Hellwick, for Sacramento Gas Company
- Edward Morris, for Central Mendocino County Power Company
- A. C. Johnston, for Producers Gas and Fuel Company and
Valley Natural Gas Company.

WHITSELL, Commissioner:

O P I N I O N

This is a proceeding instituted on the Commission's own motion for the purpose of prescribing a new system of accounts for all those electric and gas corporations not affected by Decision No. 11353 dated December 13, 1922 in Case No. 1845 and Decision No. 12691 dated October 13, 1923 in Case No. 1940.

By Decision No. 11353 the Commission ordered and directed all electric corporations (Class A corporations) whose annual operating revenues exceeded \$250,000. to keep, on and after January 1, 1923, their accounts and records in accordance with the system of accounts, as set forth in Commission's "Exhibit A Amended" filed in Case No. 1845; and by Decision No. 12691 the Commission ordered and directed all gas corporations (Class A corporations) whose annual operating revenues exceeded \$250,000. to keep on and after January 1, 1924, their accounts and records in accordance with the system of accounts, as set forth in Commission's "Exhibit A Amended" filed in Case No. 1940.

The system of accounts, as set forth in the exhibits filed in Decisions Nos. 11353 and 12691 were proscribed and adopted by this Commission for the purpose of securing more valuable information, both to the utility and to the Commission, than was possible under the system previously in effect.

In its order of September 23, 1925 instituting the above numbered proceeding, the Commission directed that all electric and gas corporations (other than those affected by Decisions No. 11353 and No. 12691) be given an opportunity to appear at the hearing had on October 13th and show cause, if any they have, why the Commission should not adopt and prescribe for said corporations the uniform system of accounts, and rules and regulations adopted and prescribed by said Decisions No. 11353 and No. 12691. At the hearing the proposal of the Commission was outlined by Thomas G. Hughes, Special Accountant for the Commission, who submitted Commission's "Exhibits Nos. 1, 3 and 4" relating to electric corporations, and "Exhibits Nos. 2, 5 and 6" relating to gas corporations. No changes were suggested in the Commission's proposal at or since the hearing by representatives of the utilities.

For the purpose of recording their operating expenses, electric and gas corporations having annual operating revenues exceeding \$50,000. but not over \$250,000. will, as stated at the hearing, be styled "Class B Corporations", and those having operating revenues of \$50,000. or less will be styled "Class C Corporations."

Attached to this decision, as exhibits, are indexes giving the captions and account numbers of the condensed operating expense accounts that shall be kept by Class B and Class C electric and gas corporations. The text of said operating expense accounts appear in the uniform system of accounts prescribed for Class A electric and gas corporations.

Exhibit D, based on Commission's Exhibit No. 3, is an index giving the captions and account numbers of the operating expense accounts that shall be kept by Class B electric corporations.

Exhibit E, based on Commission's Exhibit No. 4, is an index giving the captions and account numbers of the operating expense accounts that shall be kept by Class C electric corporations.

Exhibit F, based on Commission's Exhibit No. 5, is an index giving the captions and account numbers of the operating expense accounts that shall be kept by Class B gas corporations.

Exhibit G, based on Commission's Exhibit No. 6 is an index giving the captions and account numbers of the operating expense accounts that shall be kept by Class C gas corporations.

The electric and gas corporations referred to herein will, on and after January 1, 1926, be relieved from keeping their accounts and records relating to electric and gas operations, as required by the Uniform System of Accounts in effect prior to that date.

Section 48 of the Public Utilities Act provides--

"Where the Commission has prescribed the form of accounts, records or memoranda to be kept by any public utility for any of its business, it shall thereafter be unlawful for such public utility to keep any accounts, records or memoranda for such business other than those so prescribed, or those prescribed by or under the authority of any other state of the United States, excepting such accounts, records or memoranda as shall be explanatory of, and supplemental to, the accounts, records or memoranda prescribed by the Commission."

I herewith submit the following form of order:-

O R D E R

A public hearing having been held in the above entitled matter and the Commission having given due consideration to the evidence submitted at such hearing,

IT IS HEREBY ORDERED AND DIRECTED that on and after January 1, 1926, all Class B electric corporations must keep their accounts and records in accordance with the Uniform System of Accounts, as set forth in the Commission's Exhibit No. 1 filed in this proceeding, modified to the extent that the operating expense accounts shown therein are condensed in accordance with the index attached hereto and marked "Exhibit D"; that all Class C electric corporations must keep their accounts and records in accordance with the Uniform System of Accounts, as set forth in the Commission's Exhibit No. 1 filed in this proceeding, modified to the extent that the operating expenses shown therein are condensed in accordance with the index attached hereto marked "Exhibit E"; that all Class B gas corporations must keep their accounts and records in accordance with the Uniform System of Accounts, as set forth in the Commission's Exhibit No. 2 filed in this proceeding; modified to the extent that the operating expenses shown therein are condensed in accordance with the index attached hereto marked "Exhibit F"; that all Class C gas corporations must keep their accounts and records in accordance with the Uniform System of Accounts, as set forth in the Commission's Exhibit No. 2 filed in this proceeding, modified to the extent that the operating expenses shown therein are condensed in accordance with the index attached hereto marked "Exhibit G"; provided that where a corporation coming under Class B desires to keep its accounts and records as now prescribed by the Commission's orders for Class A, ^{corporations} /or where a corporation coming under Class C desires to keep its accounts and records, as now prescribed by the Commission's orders for Class A corporations, as herein prescribed for Class B corporations, it is permitted to do so, provided, that having elected to enter a senior class it cannot later, except by permission of the Commission, change to the class to which it belongs.

IT IS HEREBY FURTHER ORDERED AND DIRECTED that the electric and gas corporations referred to herein be, and they are hereby, relieved on and after January 1, 1926 from keeping their accounts and records relating to electric and gas operations in accordance with the system of accounts in effect prior to January 1, 1926.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 13th day of November, 1925.

W. B. Brundage
Chas. J. Deaver
George D. Squires
Ernest W. Cook
Leon Whitell
Commissioners.

EXHIBIT "D"

CLASSIFICATION OF OPERATING EXPENSE ACCOUNTS
FOR CLASS "B" ELECTRIC CORPORATIONS.

(For text of accounts see Uniform System of Accounts pre-
scribed for Class "A" Electric Corporations.)

I. PRODUCTIONS EXPENSES. ✓

1. Steam Power Generation.

(a) Operation:

701 Superintendence
702 to 704 Labor
705 Fuel
706, 707 - Supplies and expenses.

(b) Maintenance:

711 Maintenance of structures
712 to 717 Maintenance of plant and equipment

(c) Miscellaneous items:

721 Production rents
722 Steam from other sources

2. Hydraulic Power Generation.

(a) Operation:

731 Superintendence
732 to 734 Labor
735 Supplies and expenses

(b) Maintenance:

741 Maintenance of structures
742 to 746 Maintenance of dams, penstocks, etc.
747 to 751 Maintenance of plant and equipment

(c) Miscellaneous items:

756 Production rents
757 Water from other sources

3. Gas Power Generation.

(a) Operation:

761 Superintendence
762 to 764 Labor
765 Engine fuel
766, 767 Supplies and expenses

(b) Maintenance:

771 Maintenance of structures
772 to 776 Maintenance of plant and equipment

(c) Miscellaneous items:

781 Production rents
782 Power gas from other sources

4. Miscellaneous Production Expenses.

791 Electric energy from other sources

II. TRANSMISSION EXPENSES

(a) Operation:

801 Transmission superintendence
802 to 804, Transmission labor and expenses
806, 807

(b) Maintenance:

811 Maintenance of transmission structures

812 to 820

Maintenance of transmission system

(c) Miscellaneous items:

831

Transmission rents

III. DISTRIBUTION EXPENSES

(a) Operation:

841

Distribution superintendence

842, 843

Distribution sub-station labor and expenses

844

Storage battery supplies and expenses

845 to 848

Labor and expenses distribution lines

849

Removing and resetting transformers

850 to 852

Removing and resetting meters

853

Miscellaneous distribution expenses

(b) Maintenance:

861

Maintenance distribution structures

862 to 869

Maintenance distribution system

870

Maintenance consumers meters

871

Maintenance of miscellaneous distribution capital

(c) Miscellaneous items:

881

Distribution rents

IV. UTILIZATION EXPENSES

901, 902, 911, 912

Commercial lamps operation and maintenance

903, 904, 913

Municipal lamps operation and maintenance

914, 915

Maintenance miscellaneous utilization capital

V. COMMERCIAL DEPARTMENT EXPENSES

921 to 926

Commercial department supplies and expenses

931 to 936

New business expenses

VI. GENERAL AND MISCELLANEOUS EXPENSES

941

Pay and expenses of general officers

942

Pay and expenses of other general office employees

943 to 945, 947

General office supplies and expenses

946

Law expenses - general

948

Insurance

949

Injuries and damages

950

Relief and welfare work

951

Regulatory commission expenses

952, 953

Other miscellaneous expenses

954 to 956

Maintenance miscellaneous structures and equipment

718, 752, 777, 821)

872, 916, 957

} Repairs charged to reserves-Cr.

958

Depreciation expenses

959

Depreciation adjustments

723, 758, 763, 792)

832, 882, 960

} Joint operating expenses-Dr.

724, 759, 764, 793)

833, 883, 961

} Joint operating expenses-Cr.

EXHIBIT E

CLASSIFICATION OF OPERATING EXPENSE ACCOUNTS
FOR CLASS C ELECTRIC CORPORATIONS

<u>Account Numbers (1)</u>	<u>TITLE OF ACCOUNT</u>
701 to 784) 792 to 793)	Production expenses and repairs to capital
791	Electric energy from other sources
801 to 833	Transmission expenses and repairs to capital
841 to 916	Distribution expenses and repairs to capital
921 to 926	Commercial department expenses
931 to 936	New business expenses
941 to 945; 947	Pay of general office employees and expenses of general office
946	Law expenses - general
948	Insurance
949 to 957) 960 to 961)	Miscellaneous general expenses and miscellaneous general repairs
958 to 959	Depreciation expense

(1) The text of accounts, the numbers of which are stated above, appears in the Uniform System of Accounts prescribed for Class "A" electric corporations.

EXHIBIT F

CLASSIFICATION OF OPERATING EXPENSE ACCOUNTS
FOR CLASS "B" GAS CORPORATIONS.

(For text of accounts see Uniform System of
Accounts prescribed for Class "A" Gas Corporations.)

I. PRODUCTION EXPENSES.

1. Manufactured Gas Production.

(a) Operation:

701	Production superintendence.
702	Production labor
703	Fuel for steam
704	Fuel for gas
705	Miscellaneous production supplies and expenses
706 to 707	By-products labor and expenses

(b) Maintenance:

711	Maintenance of production structures
712 to 713	Maintenance of plant and equipment
714	Maintenance of storage equipment
715 to 716	Maintenance of miscellaneous production equipment

(c) Miscellaneous items:

721	Production rents
722	Steam from other sources

2. Natural Gas Production.

(a) Operation:

731	Production superintendence
732 to 735	Operating wells and collecting system
736	Miscellaneous production expenses

(b) Maintenance:

741	Maintenance production structures
742 to 743	Maintenance wells and collecting system
744 to 746	Maintenance miscellaneous production equipment

(c) Miscellaneous items:

751	Production rents
756	Gas from other sources

II. TRANSMISSION EXPENSES

(a) Operation:

761	Transmission superintendence
762 to 763	Operating lines and compressor stations
764 to 765	Miscellaneous transmission expenses

(b) Maintenance:

771 to 777 Maintenance transmission system

(c) Miscellaneous items:

781 Transmission rents

III. DISTRIBUTION EXPENSES.

(a) Operation:

791 Distribution superintendence
792 to 794 Distribution labor and expenses
795 Removing and resetting meters and regulators
796 Meter department salaries and expenses
797 Inspection consumers premises
798 Street lighting equipment-operation
799 Miscellaneous distribution labor and expenses

(b) Maintenance:

801 to 810 Maintenance distribution structures.

(c) Miscellaneous items:

815 Distribution rents

IV. COMMERCIAL DEPARTMENT EXPENSES

821 to 826 Commercial department supplies and expenses
831 to 836 New business expenses

V. GENERAL AND MISCELLANEOUS EXPENSES

841 Pay and expenses of general officers
842 Pay and expenses of other general office employees
843 to 845, 847 General office supplies and expenses
846 Law expenses
848 Insurance
849 Injuries and damages
851 Relief and welfare work
852 Regulatory commission expenses
853 to 854 Other miscellaneous expenses
855 to 857 Maintenance miscellaneous structures and equipment
717, 747, 778, }
811, 858 } Repairs charged to reserves-Cr
859 } Depreciation expenses
861 } Depreciation adjustments
723, 752, 782, 816, }
862 } Joint operating expenses-Dr
724, 753, 783, }
817, 863 } Joint operating expenses-Cr
871 Expenses of by-products

EXHIBIT G

CLASSIFICATION OF OPERATING EXPENSE ACCOUNTS
FOR CLASS "C" GAS CORPORATIONS

<u>Account Numbers (1)</u>	<u>TITLE OF ACCOUNT</u>
701 to 753	Production expenses and repairs to capital
756	Gas from other sources
761 to 783	Transmission expenses and repairs to capital
791 to 817	Distribution expenses and repairs to capital
821 to 826	Commercial department expenses
831 to 836	New Business expenses
841 to 845; 847	Pay of general office employees and expenses of general office
846	Law expenses - general
848	Insurance
849 to 854) 855 to 857) 862 to 863)	Miscellaneous general expenses and miscellaneous general repairs
859 to 861	Depreciation expense
871	Expenses of by products sold

(1) The text of accounts, the numbers of which are stated above, appears in the Uniform System of Accounts prescribed for Class "A" gas corporations.