

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation
on the Commission's own motion of
a proposed Classification of Ac-
counts for Electrical Corporations
having annual operating revenues
of more than \$250,000.00.

ORIGINAL

Case Number 1845.

P. R. Ferguson, for The Southern Sierras Power
Company; and Holton Power Company;
C. P. Staal, for Southern California Edison
Company;
C. P. Cutten and R. W. Duvall, by R. W. Duvall,
for Pacific Gas and Electric Company;
Oscar Moore and C. A. Luckenbach, for Los An-
geles Gas and Electric Corporation;
L. A. Reynolds, for Great Western Power Company
of California;
A. B. Carpenter, for San Joaquin Light & Power
Corporation;
B. B. Stith, for Western States Gas and Electric
Company;
T. A. Bailey, and J. A. Cannon, for San Diego
Consolidated Gas and Electric Company;
H. F. Jackson, for Sierra and San Francisco Power
Company; and Coast Valleys Gas and Electric
Company;
William V. King, for Federal Power Commission.

MARTIN, Commissioner:

O P I N I O N

This is a proceeding instituted by the Commission on its own motion for the purpose of fixing and prescribing a new Classification of Accounts, hereafter referred to as a uniform system of accounts, for electrical corporations whose annual operating revenues exceed \$250,000.00.

The electrical corporations affected by the proposed change were notified of the hearing held herein, and given an opportunity to show cause, if any they had, why the Commission should not adopt and prescribe a uniform system of accounts similar to that on file in this proceeding and marked "Commission's Exhibit A".

The changes suggested at the hearing have been considered. The Commission's Exhibit A has been reviewed and certain modifications made therein. Such modifications appear in a revised draft of the Commission's Exhibit A, which revised draft, for the purpose of identification, has been marked "Commission's Exhibit A Amended" and is filed in this proceeding.

A uniform system of accounts for gas corporations, and a uniform system of accounts for water corporations, prescribed by the Commission, are now in effect. The general balance sheet, income and profit and loss accounts in the gas and water system of accounts differ from the general balance sheet, income and profit and loss accounts set forth in the Commission's Exhibit A Amended. Some corporations coming within the scope of the order contained herein are engaged in electric, gas and water business. It is impractical to require such corporations to prepare for each class of service a separate balance sheet, income and profit and loss statement. Therefore, corporations affected by the order herein, will be relieved from keeping the balance sheet, income and profit and loss accounts prescribed by the present uniform system of accounts for gas corporations and the present uniform system of accounts for water corporations.

It is urged that corporations who are engaged only in transmitting and distributing electric energy or are engaged in operating only steam electric generating plants and transmitting and distributing electric energy and who also operate gas plants, be permitted during 1923 to keep their accounts and records in accordance with the system of accounts now in effect. There is no material objection to this procedure and the order will permit the companies described in this paragraph either to continue to observe the system of accounts now in effect or keep their electric accounts in accordance with the system of accounts prescribed by this order. They will, however, be required to follow one or the other system of accounts in its entirety and must within ten days from the date hereof notify the Commission as to which system of accounts they

will follow during 1923.

It is believed that the system of accounts contained in the Commission's "Exhibit A Amended" conforms to sound accounting principles and practices and that it should be adopted for that reason. It should be adopted for the further reason that it is substantially the same as the uniform system of accounts recently promulgated by the Federal Power Commission and therefore but one set of books of accounts need be kept to comply with the requirements of this Commission and the Federal Power 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;

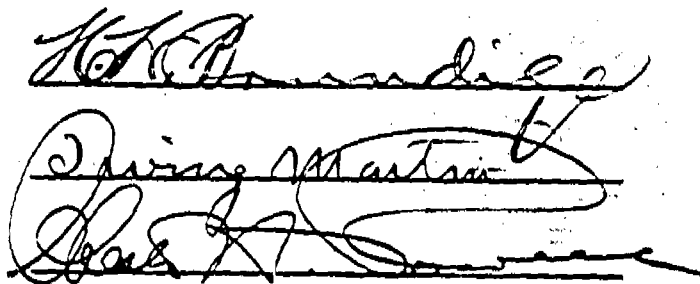
IT IS HEREBY ORDERED AND DIRECTED that all electrical corporations having annual operating revenues in excess of \$250,000 and subject to the jurisdiction of the Railroad Commission, except such electrical corporations as are mentioned in subdivision (a) of this order, must, on and after January 1, 1923, keep their accounts and records in accordance with the system of accounts contained in the Commission's "Exhibit A Amended" filed in this proceeding, which uniform system of accounts is hereby adopted and prescribed by the Railroad Commission for electrical corporations described in this paragraph, provided,

(a) That electrical corporations which operate only steam generating plants, transmission and distribution system, or which operate only transmission and distribution systems and which also operate gas plants, may if they notify the Commission within ten days from the date hereof, keep their accounts and records during 1923 in accordance with the systems of accounts now in effect.

IT IS HEREBY FURTHER ORDERED that the electrical corporations which, on and after January 1, 1923, are directed to keep their accounts and records as indicated in the Commission's "Exhibit A Amended" be relieved, on and after January 1, 1923, from keeping accounts and records in accordance with the uniform system of accounts for electrical corporations now in effect; and be further relieved from keeping the balance sheet, income and profit and loss accounts prescribed by the uniform system of accounts for gas corporations and by the uniform system of accounts for water corporations, adopted by the Commission and now in effect.

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 December, 1922.



Commissioners.