

Decision No. 35073

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Investigation on the Commission's Own Motion to Prescribe a list of Units of Property and Accounting Procedure relating to the Retirement of Investment of Electric Plant Accounts.

Case No. 4379

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Commission, by Decision No. 31618, dated January 3, 1939, as amended by Decision No. 31903, dated April 4, 1939, adopted and prescribed for Class A and Class B electrical corporations units of property to be used by them in accounting for the retirement of property without replacement and the retirement and replacement of property. The Commission's order, among other things, provides that retirements from the transmission and distribution accounts mentioned in the opinion, if not made on an individual basis, shall be made on an annual average unit cost basis by groups of identical units and geographical areas. Such costs shall be determined from the records of said electrical corporations or their predecessors. Upon sufficient showing, the Commission will authorize exceptions, in individual cases, for installations made prior to the effective date of the order in said Decision No. 31618, dated January 3, 1939.

Pacific Gas and Electric Company has filed with the Commission a statement showing the average unit costs of designated

electric distribution capital installed by it, and certain predecessor companies, from 1920 to 1937, both inclusive. It requests permission to use such unit costs to retire, except as hereinafter stated, its investment from 1920 to 1937, both inclusive, charged to the following accounts:

- Account 354 - Poles and fixtures
- Account 355 - Overhead conductors and devices
- Account 358 - Line transformers
- Account 359 - Services
- Account 360 - Meters
- Account 363 - Street lighting and signal system
(overhead conductors only)

The company does not propose to use said unit costs to retire the distribution capital formerly owned by San Joaquin Light and Power Corporation; by Midland Counties Public Service Corporation, or properties identified with the system of former Coast Valleys Gas and Electric Company, which were constructed prior to January 1, 1932, or with the properties identified with the system of former Western States Gas and Electric Company, which were constructed prior to July 1, 1932.

The Commission has considered the request of Pacific Gas and Electric Company and believes that the use by it of said unit costs to retire said designated electric distribution capital will materially simplify the accounting practice and procedure of the company, and that its request should be granted subject to the provisions of this Second Supplemental Order, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby, authorized to use the unit costs appearing in the statement filed in this proceeding on May 29, 1942 to retire the said designated classes of electric distribution capital installed by it and its predecessor companies, except those hereinafter mentioned, from 1920 to 1937, both inclusive, provided that said unit costs shall not be used to retire the

distribution capital formerly owned by San Joaquin Light and Power Corporation; by Midland Counties Public Service Corporation, or properties identified with the system of former Coast Valleys Gas and Electric Company, which were constructed prior to January 1, 1932, or the properties identified with the system of former Western States Gas and Electric Company, which were constructed prior to July 1, 1932, and, provided further, that said unit costs, or any constituent item thereof, are not approved for any purpose other than that stated herein, and provided further, that the authority herein granted is not construed as an approval of Pacific Gas and Electric Company's accounting procedure of retiring its property installed prior to January 1, 1920, or subsequent to December 31, 1937, or of its accounting procedure in retiring property formerly owned by San Joaquin Light and Power Corporation, Midland Counties Public Service Corporation, or properties identified with the system of the former Coast Valleys Gas and Electric Company, which were constructed prior to January 1, 1932, or the properties identified with the system of former Western States Gas and Electric Company, which were constructed prior to July 1, 1932.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 9th day of June, 1942.

Justin F. Cameron
Robert Rice
H. T. Bates
Charles L. Jackson
 Commissioners