

Decision No. 36150

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the Commission's own motion of the adoption of the Uniform System of Accounts for Electrical Corporations prescribed by the Federal Power Commission for public utilities and licensees.

Case No. 4230

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

On February 27, 1939, Southern California Edison Company Ltd., hereinafter sometimes referred to as Edison Company, filed with the Railroad Commission its reclassification and original cost studies of its electric plant, in response to Electric Plant Account Instruction 2D of the Uniform System of Accounts for Electrical Corporations prescribed by the Commission's Decision No. 30269, dated October 27, 1937, as amended by Decision No. 30339, dated November 15, 1937. Said system of accounts was effective as of January 1, 1938. The reclassification and original cost studies filed by the company were as of January 1, 1937, the effective date of the Uniform System of Accounts for public utilities and licensees prescribed by the Federal Power Com-

mission. The two systems of accounts are substantially the same.

Upon receipt of said reclassification and original cost studies, members of the staff of the Federal Power Commission and members of the staff of the Railroad Commission of the State of California made an examination of the Edison Company's reclassification and original cost studies of its electric plant and submitted to the company a joint report entitled, "Southern California Edison Company Ltd., Los Angeles, California, report on the reclassification and original cost studies of electric plant as of January 1, 1937." In this joint report, they recommended that the Edison Company prepare additional data and revise its classification of accounts and original cost studies and submit plans for the disposition of amounts established in Account 100.5, Electric Plant Acquisition Adjustments, and Account 107, Electric Plant Adjustments. The Edison Company subsequently submitted the additional data and revisions of its studies as recommended by members of the staffs of the two Commissions.

After several conferences attended by representatives of the company and representatives of the Federal Power Commission and the Railroad Commission, it was finally determined that the amount of \$4,775,345.77 should be charged to Account 100.5, Electric Plant Acquisition Adjustments, and \$7,174,188.90 to Account 107, Electric Plant Adjustments, as of January 1, 1937. Because of the retirement of properties subsequent to January 1, 1937, the amount chargeable to

Account 100.5, Electric Plant Acquisition Adjustments, as of December 31, 1942, has been reduced to \$3,927,082.54, and the amount chargeable to Account 107, Electric Plant Adjustments, to \$7,172,891.35. The Edison Company proposes to dispose of the balance of \$7,172,891.35 in Account 107, as follows:

a. Charge Account 200, Common Capital Stock	- \$5,966,200.15
b. Charge Account 250, Reserve for Depreciation, representing depreciation accruals on amounts established in Account 107 for underpriced retirements	- \$ 535,516.36
c. Charge Account 414, Miscellaneous Debits to Surplus	- <u>\$ 671,174.84</u>
Total	<u>\$7,172,891.35</u>

The Edison Company further proposes to dispose of the remaining amount of \$3,927,082.54 charged to Account 100.5 by amortizing said amount over a period of fifteen years by charges to Account 505, Amortization of Electric Plant Acquisition Adjustments.

The Commission has considered the request of Southern California Edison Company Ltd. and is of the opinion that such request should be granted except that the amount of \$3,927,082.54 should be amortized by charges to Account 537, Miscellaneous Amortization, and not through Account 505, Amortization of Electric Plant Acquisition Adjustments, therefore,

IT IS HEREBY ORDERED that Southern California Edison Company Ltd. dispose of the amount of said \$7,172,891.35

in Account 107 by charging Account 200, Common Capital Stock, with the sum of \$5,966,200.15; by charging Account 250, Reserve for Depreciation, with the sum of \$535,516.36, and by charging Account 414, Miscellaneous Debits to Surplus, with the sum of \$671,174.84; and that said Southern California Edison Company Ltd. dispose of said amount of \$3,927,082.54 in Account 100.5 by amortizing said amount over a period of fifteen years through consecutive annual charges to Account 537, Miscellaneous Amortization, and that the first of such annual charge be made during the year 1942.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company Ltd. record the proposed journal entries submitted with its letter dated January 13, 1943.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company Ltd. shall file with the Railroad Commission within sixty (60) days after the date of this Order, copies of the journal entries which it will make to carry this Order in effect.

IT IS HEREBY FURTHER ORDERED that this Second Supplemental Order shall become effective upon the date hereof.

Dated at San Francisco, California, this 27 day of February, 1943.

Francis J. Havens  
J. M. [unclear]  
Justin [unclear]  
Richard [unclear]  
[unclear]  
Commissioners.