

ORIGINAL

Decision No. 41111

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 THE CALIFORNIA OREGON POWER COMPANY )  
 for an Order authorizing the use of average )  
 unit costs installed to December 31, 1946 )  
 and average unit costs installed each year )  
 thereafter for computing retirements of cer- )  
 tain electric utility plant and the retire- )  
 ment during the current year of such utility )  
 plant removed from service from December 1 of )  
 the prior year to November 30 of the current )  
 year. )

Application  
No. 28964

OPINION AND ORDER

By Decision No. 31618, dated January 3, 1939, as amended, the Commission prescribed for Class A and Class B electrical corporations<sup>(1)</sup> a list of units of property for retirement purposes. The order provided that in the event such corporations, or any of them, elected to retire property from certain transmission and distribution accounts on an average cost basis, instead of an individual cost basis, then said corporations or corporation should prepare and maintain average annual costs by year of installation and use said costs in recording retirements.

On October 9, 1942, the Commission authorized The California Oregon Power Company to deviate from the requirements of said decision, as amended, and to price out future retirements of transmission and distribution plant (with the exception of structures and substations) and communication equipment at the average unit cost at the end of the preceding calendar year,

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(1) Class A corporations are those having average annual operating revenues exceeding \$250,000 and Class B are those having average annual operating revenues exceeding \$50,000 but not \$250,000.

instead of at average annual unit costs compiled by years of installation. The authority thus granted was based on the company's representation of its difficulty during the war in obtaining personnel to prepare and maintain annual unit costs and to price out retirements on that basis.

The company now reports that because of the rapidly rising cost of construction and the current heavy construction program, retirements priced at average unit costs at the end of the calendar year, instead of at average costs by years of installation, will eventually result in over-retirements. It proposes, accordingly, in the future to price its retirements of electric transmission and distribution plant (with the exception of structures and substations) and of communication equipment installed prior to December 31, 1946, at the average unit cost installed at that date for such property in California and to price retirements of such plant installed subsequent to December 31, 1946, at the average unit cost installed by year of installation for all such property in California. It does not desire to develop such averages for each operating district.(2)

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(2)

The electric plant accounts under consideration are as follows:

- Transmission Plant
- 344 Towers and Fixtures
- 345 Poles and Fixtures
- 346 Overhead Conductors and Devices
- 347 Underground Conduit
- 348 Underground Conductors and Devices
- Distribution Plant
- 354 Poles, Towers and Fixtures
- 355 Overhead Conductors and Devices
- 356 Underground Conduit
- 357 Underground Conductors and Devices
- 358 Line Transformers
- 359 Services
- 360 Meters
- 361 Installations on Customers' Premises
- 362 Leased Property on Customers' Premises
- 363 Street Lighting and Signal System
- General Plant
- 378 Communication Equipment

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company, unless and until otherwise directed by the Commission, may price retirements of property from electric plant accounts 344, 345, 346, 347, 348, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363 and 378, installed prior to December 31, 1946, at the average unit cost installed at that date for such property in the State of California and not at a separate unit cost for each of its operating districts.

2. The California Oregon Power Company, unless and until otherwise directed by the Commission, may price retirements of property from electric plant accounts 344, 345, 346, 347, 348, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363 and 378, installed subsequent to December 31, 1946, at the average unit cost installed by year of installation for all such property in the State of California and not at a separate unit cost for each of its operating districts.

3. The California Oregon Power Company, unless and until otherwise directed by the Commission, may record on its books in any year the retirements of property from the aforesaid electric plant accounts which were removed from service in the period from December 1 of the prior year to November 30 of said current year.

Dated at Los Angeles, California, this 13<sup>th</sup>  
day of January, 1948.

R. J. [Signature]  
Justice F. Cramer  
Frank Russell  
Harold A. Kals  
Genevieve [Signature]  
Commissioners