

ORIGINAL

Decision No. 64279

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
on the Commission's Own Motion of)
the Adoption of the Amendments to)
the Uniform System of Accounts for)
Telephone Companies prescribed by)
the Federal Communications Commission.)

Case No. 4923

FOURTH SUPPLEMENTAL ORDER

Heretofore, by orders in the above-entitled matter, the Commission adopted and prescribed, for Class A and Class B telephone companies operating under its jurisdiction, the Uniform System of Accounts for Class A and Class B Telephone Companies, January 1957 Edition, which had been prescribed by the Federal Communications Commission, with certain modifications. Class A and Class B telephone companies are those having average annual operating revenues of \$100,000 or more.

During the period from January 1, 1957 to June 30, 1962, the Federal Communications Commission has amended its system of accounts, from time to time, in order to give effect to changes in accounting theory and practice and to provide instructions covering the accounting for new types of service.

Some of the telephone companies in California operate under the jurisdiction of this Commission and also of the Federal Communications Commission, being engaged in both intrastate and

interstate commerce. In order to simplify the accounting and reporting requirements imposed on these companies and also to coordinate the accounting requirements prescribed by this Commission with those imposed by the Federal Communications Commission, we find it to be desirable and in the public interest to adopt and prescribe, with certain modifications, the Uniform System of Accounts, January 1961 Edition, which has been prescribed by the Federal Communications Commission, together with amendments to June 30, 1962. In our opinion, a public hearing is not necessary, therefore,

IT IS ORDERED that -

1. The Public Utilities Commission of the State of California hereby adopts and prescribes for Class A and Class B telephone companies operating under its jurisdiction, that is, those telephone companies having average annual operating revenues of \$100,000 or more, the Uniform System of Accounts for Class A and Class B Telephone Companies, January 1961 Edition, prescribed by the Federal Communications Commission, as amended to June 30, 1962 (amendments 1 and 2), with the following modifications:

- (a) Instructions 31.02-80, Computation of depreciation rates, in said uniform system of accounts shall not be construed as prohibiting the use of the straight-line remaining life method of accruing depreciation, and,

- (b) Instruction 31.02-81, Depreciation charges, is modified so as to permit the computation of depreciation charges by applying the applicable percentage rate to the beginning of the month balances in the primary accounts covering depreciable telephone plant.

2. Effective January 1, 1963, all Class A and Class B telephone companies shall keep their accounts in the manner set forth in said uniform system of accounts, as modified herein.

3. The Commission reserves the right to amend this order from time to time and does not bind itself to approve any item set out in any account, either as to amount or character, for rate-fixing purposes or for the issuance of securities.

4. On and after January 1, 1963, Class A and Class B telephone companies, that is, those having average annual operating revenues of \$100,000 or more, are relieved from keeping their accounts and records in accordance with the system of accounts now in effect.

5. The Secretary of the Commission is directed to cause a copy of this decision to be served on each Class A and Class B telephone utility operating in this State.

6. This order will become effective twenty days after such service.

Dated at Los Angeles, California,
this 19th day of September, 1962.

George L. Grover
President

[Signature]

Fredrick B. Holbluff

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.