

ORIGINAL

Decision No. 64426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the Commission's own motion into the matter of adopting and prescribing for Class C telephone utilities the Uniform System of Accounts for Class C telephone utilities prescribed by the Federal Communications Commission or adopt and prescribe the same with modifications.

Case No. 4540

THIRD SUPPLEMENTAL ORDER

Heretofore, by orders in the above-entitled matter, the Commission prescribed, for Class C telephone companies operating under its jurisdiction, a system of accounts which was a condensed version, with minor modifications, of 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. The system of accounts so prescribed applied to telephone companies having average annual operating revenues of not less than \$1,500 nor more than \$100,000.

The Federal Communications Commission has issued a revised system of accounts for Class A and Class B telephone companies, identified as the January 1961 Edition, which the California Commission, by Decision No. 64279, dated September 19, 1962, adopted and prescribed, with minor

modifications, for Class A and Class B telephone companies operating subject to its jurisdiction. The Federal Communications Commission has also issued a revised system of accounts for Class C telephone companies which is a condensed version of that now prescribed for the Class A and Class B telephone companies.

In order to coordinate the accounting requirements of the three classes of telephone companies, we find it desirable and in the public interest to adopt and prescribe, with certain modifications, the Uniform System of Accounts for Class C Telephone Companies, January 1961 Edition, prescribed by the Federal Communications Commission. 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 C telephone companies operating under its jurisdiction, that is, those telephone companies having average annual operating revenues of not less than \$1,500 nor more than \$100,000, the Uniform System of Accounts for Class C Telephone Companies, January 1961 Edition, prescribed by the Federal Communications Commission, with the following modifications:

- (a) Instruction 33.1, Classification of companies, shall be modified so as to define Class C companies as those having annual operating revenues exceeding \$1,500 but not exceeding \$100,000 and as defining Class D companies as those having annual operating revenues of not more than \$1,500; and
- (b) Instruction 33.65, Depreciation accounting, in said system of accounts shall not be construed as prohibiting the use of the straight-line remaining life method of accruing depreciation; and
- (c) Instruction 33.65, Depreciation accounting, 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 C 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. From and after January 1, 1963, Class C telephone companies, that is, those having average annual operating revenues exceeding \$1,500 but not more than \$100,000, 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 C telephone utility operating in this State.

6. This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California,  
this 13 day of OCTOBER, 1962.

George E. Crover  
President

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Fredrick B. Hallock  
Commissioners