

**ORIGINAL**

Decision No. 69911

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

SIXTH SUPPLEMENTAL ORDER

By Decision No. 67821, dated September 15, 1964, being the Fifth Supplemental Order in the above-entitled matter, this Commission adopted and prescribed for Class C telephone companies under its jurisdiction the amendment identified in Transmittal Sheet No. VIII-4 relating to Part 33 of the Rules and Regulations of the Federal Communications Commission.

Under date of April 29, 1964, the Federal Communications Commission adopted amendments to the Uniform System of Accounts for Class C Telephone Companies in connection with the accounting for investment tax credits in order to provide for deferred accounting for such credits. These amendments are identified in Transmittal Sheet No. VIII-5 relating to Part 33 of the Rules and Regulations of the Federal Communications Commission. However, this Commission, in keeping with its adherence to the principle of immediate flow-through of all tax savings, has not

adopted the Federal Communications Commission accounting for investment tax credits.

Under date of June 9, 1965, the Federal Communications Commission adopted amendments to the Uniform System of Accounts for Class C Telephone Companies deleting pole stubs, pole butts and crossarms from the list of units of property under the subject heading of Poles, Conduit, Cable, and Wire (Account 1045) in Section 33.81. These amendments are identified in Transmittal Sheet No. VIII-7 in that portion thereof relating to Part 33 of the Rules and Regulations of the Federal Communications Commission.

In order to coordinate this Commission's accounting and reporting requirements for Class C telephone companies with those imposed by the Federal Communications Commission, we find the amendments relating to units of property to be desirable and in the public interest. On the basis of these findings we conclude that this Commission should adopt and prescribe said amendments. However, we do not find it to be desirable or consistent with the flow-through policy of this Commission to adopt and prescribe the amendments relating to deferred accounting for investment tax credits and conclude that such amendments identified in Transmittal Sheet No. VIII-5 should not be adopted. A public hearing is not necessary.

IT IS ORDERED that:

1. The accounting treatment to be accorded to investment tax credits covered in Transmittal Sheet No. VIII-5 relating to Part 33 of the Rules and Regulations of the Federal Communications Commission will not be adopted by this Commission.

2. The Uniform System of Accounts for Class C Telephone Companies prescribed by the Federal Communications Commission, January, 1961 Edition, as adopted and prescribed by the Public Utilities Commission of the State of California by Decision No. 64426, dated October 23, 1962, hereby is further amended in the form and to the extent set forth in that portion of Transmittal Sheet No. VIII-7 relating to Part 33 of the Rules and Regulations of the Federal Communications Commission.

3. The Secretary of the Commission is hereby directed to cause a copy of this decision to be served on each Class C telephone utility operating in this State.

4. This Sixth Supplemental Order shall become effective January 1, 1966.

Dated at San Francisco, California, this 9<sup>th</sup> day of NOVEMBER, 1965.

Fredrick B. Holbrook  
President

George E. Hoover  
Secretary

George E. Hoover  
Secretary

Augustus  
Secretary

William G. Bennett  
Commissioners