

Decision No. 77038

ORIGINAL

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 Uniform System )  
 of Accounts for Electrical Corpora- )  
 tions prescribed by the Federal )  
 Power Commission for public utilities )  
 and licensees. )

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Case No. 4230

FIFTH SUPPLEMENTAL ORDER

By Resolution No. 302, dated September 20, 1960, in the above-entitled matter, this Commission adopted the revised Uniform System of Accounts for Public Utilities and Licensees (Class A and Class B), effective January 1, 1961, as prescribed and adopted by the Federal Power Commission in June, 1960. The revised systems of accounts, effective January 1, 1961, for Class C and Class D companies were prescribed by the Federal Power Commission in December, 1960 and subsequently adopted by this Commission in Resolution No. 317, dated January 17, 1961.

Since January 1, 1961, the Federal Power Commission, at various times, has issued certain orders which amend, rescind or otherwise affect said systems of accounts as follows:

1. Order No. 276, effective December 18, 1963  
Provided additional subaccounts under  
Other Income Deductions for all classes.
2. Order No. 290, effective December 17, 1964  
Prescribed the accounting for investment  
tax credits, providing additional accounts,  
as appropriate, for Class A and B companies.
3. Order No. 318, effective March 30, 1966  
Required work orders and property record  
system for Class C companies.
4. Order No. 322, effective July 1, 1966  
Redefined "research and development"  
expenditures for Class A and B companies.
5. Order No. 343, effective April 26, 1967  
Amended the accounting by Class A and B  
companies for expenditures relating to  
fish, recreation and wildlife.
6. Order No. 366, effective August 7, 1968  
Revised the method of accounting by all  
classes for costs associated with the first  
clearing and grading of lands and rights-of-  
way.
7. Orders Nos. 389 and 389-A, both effective  
January 1, 1970  
Amended the accounting and reporting by  
Class A and B companies for extraordinary  
and prior period items, adopting with some  
modification the "all-inclusive income  
statement" concept recommended by the  
accounting profession.

The amendments issued in Order No. 276 and Order No. 290 are included in a revised looseleaf pamphlet edition of the Uniform System of Accounts prescribed for Public Utilities and Licensees (Class A and Class B) in effect on March 1, 1965.

Section 793 of the Public Utilities Code reads, in part, as follows:

"The system of accounts and the forms of accounts, records, and memoranda prescribed by the commission for corporations subject to the regulatory authority of the United States, shall not be inconsistent with the systems and forms from time to time established for such corporations by or under the authority of the United States."

After further consideration of the above-entitled matter, we find that the adoption by this Commission of the revised edition of the uniform system of accounts (Class A and Class B) in effect on March 1, 1965, and the subsequent amendments for the respective classes referred to herein, would coordinate the accounting requirements of this Commission with those prescribed by the Federal Power Commission. On the basis of this finding, we conclude that this Commission should adopt and prescribe said uniform system of accounts and the subsequent amendments described in this order. A further public hearing is not necessary.

IT IS ORDERED that:

1. The Commission, for accounting purposes, hereby adopts the following classifications for electric corporations:

- Class A. Electric corporations having annual electric operating revenues of \$2,500,000 or more.
- Class B. Electric corporations having annual electric operating revenues of \$1,000,000 or more, but less than \$2,500,000.

Class C. Electric corporations having annual electric operating revenues of \$150,000 or more, but less than \$1,000,000.

Class D. Electric corporations having annual electric operating revenues of less than \$150,000.

2. The Uniform System of Accounts prescribed for Public Utilities and Licensees (Class A and Class B) in effect on March 1, 1965, and the amendments for the respective classes cited herein, in the form and to the extent adopted and promulgated by the Federal Power Commission, are hereby adopted and prescribed by the Public Utilities Commission of the State of California, subject to the modified revenue classification for Class D companies specified in Ordering Paragraph No. 1.

3. Each electric corporation subject to the jurisdiction of this Commission shall keep the accounts appropriate for its class in the manner set forth in the uniform system of accounts and the amendments adopted and prescribed herein.

4. The uniform system of accounts (Class A and Class B) adopted and prescribed herein supersedes that contemplated by Resolution No. 302.

5. The action of the Commission in so adopting the uniform system of accounts (Class A and Class B) and the amendments for the respective classes specified herein shall not be construed as binding the Commission to approve or to accept any item set out in any account for the purpose of fixing rates or of determining other matters which may come before the Commission.

6. The Secretary of this Commission is hereby directed to give notice as required by Section 794 of the Public Utilities Code by transmitting a copy of this order to each electric corporation operating in this State under the jurisdiction of this Commission.

7. The effective date of this order shall be May 1, 1970, unless within fifteen days after receipt of this decision an electric corporation operating under Commission authority in this State requests a public hearing, in writing, in which event the effective date shall be stayed until further order of this Commission. However, any electric corporation may at its option, adopt retroactively said uniform system of accounts, as modified, and all amendments specified herein.

8. In the event this order is stayed, prior to May 1, 1970, the Secretary of this Commission shall so notify, in writing, each electric corporation operating in this State under the jurisdiction of this Commission.

Dated at Los Angeles, California,  
this 7<sup>th</sup> day of APRIL, 1970.

William S. Jones, Jr.  
President

George J. [Signature]

[Signature]

Vernon L. Sturgeon  
Commissioners