

Decision No. 77910**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	)	Case No. 4230
of Accounts for Electrical	)	
Corporations, prescribed by the	)	
Federal Power Commission for public	)	
utilities and licensees.	)	

SIXTH SUPPLEMENTAL ORDER

By Decision No. 77038, dated April 7, 1970, in the above-entitled matter, this Commission adopted, with a minor modification, the revised Uniform System of Accounts for Public Utilities and Licensees (Class A and Class B), effective March 1, 1965, prescribed by the Federal Power Commission. Said decision also cited and adopted certain amendments issued by the Federal Power Commission, including those pertinent to the prescribed systems of accounts for Class C and Class D companies, which systems were effective January 1, 1961 and which were subsequently adopted by this Commission in Resolution No. 317, dated January 17, 1961.

The Federal Power Commission has issued a new loose-leaf edition of the Uniform System of Accounts prescribed for Public Utilities and Licensees (Class A and B, C, and D) in effect on January 1, 1970, incorporating all systems of accounts for electric

utilities and licensees into one pamphlet. In addition to the Federal Power Commission amendments cited in said Decision No. 77038, the new edition also reflects revisions with respect to (a) Order No. 354 modifying General Instruction 16 for Class A and Class B companies to provide that the separate accounts or records kept for each licensed project shall show the specified information for each project, including therein pumped storage, and (b) Orders Nos. 393 and 393-A amending the accounts and provisions related to nuclear fuel.

Under date of August 26, 1970, the Federal Power Commission issued its Order No. 408 (Docket No. R-381) further amending the uniform system of accounts applicable to Class A and Class B electric utilities and licensees to reflect changes in accounting for research and development expenditures. Generally, said Order provides for adding a new deferred debit account designated as Account 188, Research and development expenditures, which will be used to account for certain expenditures, excluding those properly includable in Account 107, Construction work in progress - electric. The scope of the latter account has been expanded to include expenditures on research and development projects for construction of utility facilities. Provisions have also been made for recording research and development expenses by appropriate functions in operation and maintenance accounts.

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 B, C, and D) in effect on January 1, 1970, together with the subsequent amendment modifying the accounting for research and development expenditures, 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 amendment. 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 B, C, and D) in effect on January 1, 1970, and the subsequent amendment 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 amendment adopted and prescribed herein.

4. The uniform system of accounts (Class A and B, C, and D) adopted, prescribed and modified herein supersedes those contemplated by said Decision No. 77038 and by said Resolution No. 317, as amended.

5. The action of the Commission in so adopting the uniform system of accounts (Class A and B, C, and D) and the amendment 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 January 1, 1971, 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 to January 1, 1970, said uniform system of accounts as modified, and any Class A or Class B electric corporation may adopt the amendment prescribed herein retroactive to August 26, 1970.

2. In the event this order is stayed, prior to November 30, 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 San Francisco, California,  
this 10th day of NOVEMBER, 1970.

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Chairman

*Arthur*

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*William J. Vukasin, Jr.*

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*Paul M. ...*

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*Yvonne L. Sturgeon*

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.