

Decision No. 77911

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation )  
 on the Commission's Own Motion to )  
 Consider the Adoption of a Revised )  
 Uniform System of Accounts for Gas )  
 Corporations. )

Case No. 6998

THIRD SUPPLEMENTAL ORDER

By Decision No. 77039, dated April 7, 1970, in the above-entitled matter, this Commission adopted, with certain modifications, the Uniform System of Accounts for Natural Gas Companies (Class A and B, C, and D) in effect on September 1, 1968, prescribed by the Federal Power Commission. Said decision also adopted subsequent amendments issued by the Federal Power Commission in the form and to the extent set forth in Order No. 371 (Docket No. R-349) and Orders Nos. 389 and 389-A (Docket No. R-344).

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 gas corporations to reflect changes in the accounting prescribed 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 - Gas. 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 operation and maintenance functions.

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 amendment relative to 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 amendment. A further public hearing is not necessary.

IT IS ORDERED that:

1. The Uniform System of Accounts for Natural Gas Companies (Class A and B, C, and D) in effect on September 1, 1968, as heretofore prescribed and amended by the Federal Power Commission,

and as adopted and prescribed with modifications by the Public Utilities Commission of the State of California by Decision No. 77039, dated April 7, 1970, is hereby further amended in the form and to the extent set forth in Order No. 408 (Docket No. R-381) issued by the Federal Power Commission on August 26, 1970.

2. The action of the Commission in so adopting 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.

3. 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 Class A and Class B gas corporation operating in this State under the jurisdiction of this Commission.

4. The effective date of this order shall be January 1, 1971, unless within fifteen days after receipt of this decision a Class A or Class B gas 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 Class A or Class B gas corporation may, at its option, adopt the amendment prescribed herein retroactive to August 26, 1970.

5. In the event this order is stayed, prior to November 30, 1970, the Secretary of this Commission shall so notify, in writing, each Class A and Class B gas corporation operating in this State under the jurisdiction of this Commission.

Dated at San Francisco, California,  
this 10th day of NOVEMBER, 1970.

Chairman

*Deborah*

*William J. ...*

*...*

*Verma L. Sturgeon*

Commissioners

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