

ds

Decision No. 83019

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FRANCIS LAND AND WATER  
COMPANY to increase its rates and  
charges for its water system serving  
the Town of Ferndale and adjacent  
unincorporated territory in Humboldt  
County.

Application No. 53250

ORDER INVITING SUBMISSION OF BRIEFS

On May 29, 1974 the Commissioner of Internal Revenue approved certain amended regulations pertaining to the depreciation allowance for property of certain public utilities. Said amended regulations were published June 7, 1974 in Volume 39, No. 111, pages 20194-20203 of the Federal Register.

Therefore, IT IS ORDERED that parties to Application No. 53250 are hereby allowed the opportunity to file briefs on the matters raised by the amended Internal Revenue Service regulations. Such briefs shall be concurrent and shall be filed no later than July 3, 1974.

The scope of the briefs to be filed should include the availability of the use of "pro forma" normalization by the Commission in its regulatory activity; the effect of the use of such a method on the taxpayer's eligibility to use accelerated depreciation; and whether the regulations are consistent with Section 167(1) of the Internal Revenue Code and the Tax Reform Act of 1969.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this  
26th day of JUNE, 1974.

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

Yuman L. Peterson  
President  
William J. Gerson  
Thomas Moran  
Commissioners