shifting of the third stage turbine stator, which could result in an uncontained engine failure and damage to the aircraft, accomplish the following:

(a) For engines with third stage turbine stators with S/Ns listed in Table 1 of National Flight Services SB No. NF-TPE331-A72–10961, dated April 28, 1997, no action is required.

(b) For engines with third stage turbine stators with S/Ns not listed in Table 1 of National Flight Services SB No. NF-TPE331-A72–10961, dated April 28, 1997, remove the unserviceable third stage turbine stator assembly in accordance with the applicable engine maintenance manual and the following schedule:

Third stage turbine stator cycles in service (cis) since radiographic inspection in accordance with AD 87–19–02 paragraph (b) or AD 93–05–09 paragraph (h)	Removal schedule
Unknown CIS since inspection.	Remove within 600 CIS after the effective date of this AD, at next access, or prior to March 31, 2002, whichever occurs first.
2200 or more CIS since inspection.	Remove within 600 CIS after the effective date of this AD, at next access, or prior to March 31, 2002, whichever occurs first.
Less than 2200 CIS since inspection.	Remove prior to accumulating 2,800 CIS, at next access, or prior to March 31, 2002, whichever occurs first.

(c) For the purpose of this AD, the next access to the third stage stator assembly is defined as disassembly of the turbine beyond the removal of the third stage rotor.

Note 2: This AD does not supersede AD 93–05–09. The removal schedule in paragraph (b) of this AD does not affect the requirements of AD 93–05–09.

(d) For the purpose of determining third stage turbine stator removal under paragraph (b) of this AD, third stage turbine stator hours time in service (TIS) may be converted to CIS since inspection by multiplying by 1.5 the number of hours since radiographic inspection in accordance with paragraph (b) of AD 87–19–02 or paragraph (h) of AD 93–05-09.

(e) For third stage turbine stator assemblies removed in accordance with paragraph (b) of this AD, accomplish either a radiographic inspection for inadequate weld penetration and fatigue cracking, and, if necessary, replace with a serviceable assembly in accordance with the Accomplishment Instructions of National Flight Services SB No. NF-TPE331-A72–10961, dated April 28, 1997; or replace with a serviceable assembly in accordance with the Accomplishment Instructions of AlliedSignal Inc. SB No. TPE331-A72–0861, Revision 2, dated April 23, 1997. Accomplishing the radiographic inspection required by this paragraph constitutes compliance with the radiographic inspection requirement of paragraph (h) of AD 93–05–09.

(f) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles Aircraft Certification Office.

Note 3: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Los Angeles Aircraft Certification Office.

(g) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on July 8, 1997.

Ronald L. Vavruska,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 97–20193 Filed 7–30–97; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 101, 116, 201, 216 and 352

[Docket No. RM97–6–000]

Units of Property Accounting Regulations

July 25, 1997.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Energy Regulatory Commission is proposing to amend its units of property and oil pipeline regulations to require companies to maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with a justification of any changes in the listing, if requested, and to clarify that companies may use estimates when it is impractical or unduly burdensome for companies to identify the cost of retired property. In addition, the Commission proposes to remove certain regulations which prescribe unit-of-property listings for jurisdictional companies. These changes will allow companies additional flexibility in maintaining their records of units of property. Finally, the Commission also proposes to remove the regulation which prescribes a minimum rule that requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500.

DATES: Comments are due on or before September 15, 1997.

ADDRESSES: File comments with the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT:

Harris S. Wood, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, (202) 208–0224

Mark Klose, Office of the Chief Accountant, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, (202) 219–2595

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2A, 888 First Street, NE., Washington DC 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing 202–208–1397 if dialing locally or 1–800–856–3920 if dialing long distance. To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400, or 1200 bps, full duplex, no parity, 8 data bits and 1 stop bit. The full text of this order will be available on CIPS in ASCII and WordPerfect 6.1 format. CIPS user assistance is available at 202–208–2474.

CIPS is also available on the Internet through the Fed World system. Telnet software is required. To access CIPS via the Internet, point your browser to the URL address: http://www.fedworld.gov and select the ‘‘Go to the FedWorld Telnet Site’’ button. When your Telnet software connects you, log on to the FedWorld system, scroll down and select FedWorld by typing: 1 and at the command line and type: /go FERC. FedWorld may also be accessed by Telnet at the address fedworld.gov.

Finally, the complete text on diskette in WordPerfect format may be purchased from the Commission's copy contractor, La Dorn Systems Corporation. La Dorn Systems Corporation is also located in the Public Reference Room at 888 First Street, NE., Washington, DC 20426.

Federal Energy Regulatory Commission

[Docket No. RM97–6–000]

Notice of Proposed Rulemaking

July 25, 1997

Recordkeeping for Units of Property Accounting Regulations for Public Utilities and Licensees, Natural Gas Companies and Oil Pipeline Companies.

The Federal Energy Regulatory Commission (Commission) proposes to modify its regulations governing units of property to simplify the fixed-asset recordkeeping requirements for Public Utilities and Licensees (Public Utilities), Natural Gas Companies, and Oil Pipeline Companies. These three groups are collectively called ''Companies'' in this Notice of Proposed Rulemaking (NOPR).

This NOPR proposes to remove the Commission's prescribed units of property listings contained in 18 CFR parts 116 and 216 and instruction 3–14 of part 352, thereby giving Companies the flexibility to maintain their own property listings and corresponding fixed-asset records. The NOPR also proposes to require Companies to maintain their own written property units listing for use in accounting for additions and retirements of plant, apply the listing consistently, and if requested, furnish the Commission with the justification for any changes to the listing.

The NOPR proposes to clarify existing requirements for Public Utilities and Natural Gas Companies, and add the requirement for Oil Pipelines regarding estimating property costs when it is unduly burdensome to determine the cost of retired property. This will permit Oil Pipelines, as well as Public Utilities and Natural Gas Companies, to use estimates, and requires that Companies furnish the basis of their estimate to the Commission, if requested.

Lastly, the NOPR proposes to remove the minimum rule for Oil Pipelines. This rule requires that Oil Pipelines must expense additions and improvements of less than $500 and must seek Commission approval to change this amount.

The proposed regulations will give Companies the opportunity to identify and maintain property unit listings that are up-to-date and more in harmony with the needs of their businesses. It will permit Companies to reduce the level and number of detailed property unit records that they currently maintain. Additionally, the Commission will not need to commit resources for maintaining and approving changes to the property listings.

The elimination of parts 116, 216, and 352 (instruction 3–14) will not affect the information currently reported in the FERC Forms 1, 1–F, 2, 2–A or 6.[1] These Forms do not report costs at the level of detail prescribed by parts 116, 216 and 352 (instruction 3–14). Therefore, the NOPR will not affect the information contained in these Forms. The elimination of parts 116, 216, and 352 (instruction 3–14) will not affect the manner in which costs are recognized for accounting or rate-making purposes. Companies will continue to treat all plant as consisting of retirement units and minor items of property. Under the proposed rule, Companies will account for the additions and retirements of such plant in accordance with instructions contained in the Commission's Uniform System of Accounts (USofA) for Public Utilities, Natural Gas Companies, and Oil Pipeline Companies.

I. Background

a. Public Utilities and Natural Gas Companies

In 1937, the Federal Power Commission (FPC) issued Order No. 45 [2] that prescribed the USofA for Public Utilities subject to the Federal Power Act.[3] Order No. 45 also established the property unit listing for use in accounting for additions and retirements of electric plant.

These regulations do not permit Public Utilities to combine the items in the listing into fewer, higher level units without Commission approval. The Commission made only one significant revision to the electric plant property unit listing when, in 1987, it added nuclear plant equipment.[4]

Similarly, in 1939, the FPC issued Order No. 69, effective January 1, 1940, which established the property unit listing for use in accounting for additions and retirements of gas plant. These regulations also do not permit natural gas companies to combine the items in the listing into fewer, higher level units without Commission approval.[5] The Commission made only one significant revision to the gas plant property unit listing when, in 1978, it added liquefied natural gas plant equipment.[6]

b. Oil Pipelines

In 1977, the Commission began regulating Oil Pipelines, with the implementation of the Department of Energy Organization Act.[7] Prior to 1977, the Interstate Commerce Commission (ICC) regulated interstate oil pipelines and prescribed a property units listing. The Commission continues to use the ICC's prescribed listing as identified in 18 CFR part 352 (instruction 3–14). The regulations do not permit Oil Pipelines to combine, add or expand the property items contained in the listing without Commission approval. Oil Pipeline plant property listings have not been revised or updated since the Commission began regulating Oil Pipelines.

II. Proposed Changes to Regulations

The Commission performed a review of current practices by Public Utilities, Natural Gas Companies, and Oil Pipelines in applying Parts 116, 216 and 352. Between January and April 1997, Commission staff met with several representatives from Public Utilities, Natural Gas Companies, Oil Pipelines, and associated Industry Groups [8] to discuss the effects on Companies of identifying and tracking units of property at the prescribed detailed level. Based on this review, the Commission proposes to reduce detailed recordkeeping across all industry segments.

For Public Utilities and Natural Gas Companies, the Commission proposes to delete 18 CFR parts 116 and 216 which prescribe a units of property listing for the additions and retirements of electric plant and gas plant, respectively. The Commission proposes to modify 18 CFR part 101, Electric Plant Instruction 10, and 18 CFR part 201, Gas Plant Instruction 10, to require companies to

[1] FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others; FERC Form 1-F: Annual Report for Non-major Public Utilities and Licensees; FERC Form No. 2: Annual Report of Major Natural Gas Companies; FERC Form 2-A: Annual Report of Non-major Natural Gas Companies; FERC Form No. 6: Annual Report of Oil Pipeline Companies.

[2] 2 FR 135, January 26, 1937.

[3] The current version of the USofA for Public Utilities is found at 18 CFR, subchapter C, part 101, *et seq.*; for natural gas companies, 18 CFR, subchapter F, part 201 *et seq.*; and for Oil Pipelines, 18 CFR, subchapter Q, part 352.

[4] List of Property for Use in Accounting for the Addition and Retirement of Reactor Plant Equipment, FERC Stats. & Regs., Regulations Preamble 1986–1990 ¶ 30,779 (1987).

[5] 4 FR 4764, December 5, 1939.

[6] Order Amending the Uniform System of Accounts for Natural Gas Companies and Related Regulations to Provide for Base Load Liquefied Natural Gas Facilities, FERC Stats. & Regs., Regulations Preamble 1977–1981, ¶ 30,009A (1978).

[7] 42 U.S.C.A. § 7101 (1995).

[8] Edison Electric Institute, Interstate Natural Gas Association, American Gas Association, and Association of Oil Pipelines.

maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with the justification for any changes to the listing, if requested. In addition, the Commission proposes to clarify 18 CFR parts 101 and 201, concerning the use of estimates when it is impractical or unduly burdensome for Companies to identify the cost of retired property.

For Oil Pipelines, the Commission proposes to delete 18 CFR part 352 (instruction 3–14), which prescribes a units-of-property listing. The Commission proposes to modify 18 CFR part 352 (instruction 3–4) to require Oil Pipelines to maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with the justification for any changes to the listing, if requested. In addition, the Commission proposes to clarify 18 CFR part 352 (instruction 3–7), concerning the use of estimates when it is impractical or unduly burdensome for Oil Pipelines to identify the cost of property retired.

Finally, the Commission also proposes to delete 18 CFR part 352 (instruction 3–2), which prescribes a minimum rule that requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500, and to delete any references to the minimum rule in Part 352 (instructions 3–4, 3–5, and 3–6(a)).

III. Discussion

The USofA requires Companies to record the cost of additions and retirements of property and equipment in the appropriate plant account.[9] Additionally, Companies maintain a fixed asset recordkeeping system that tracks these plant account costs by property units. Parts 116, 216, and 352 of the Commission's regulations prescribe the detailed property unit listings that Companies must use to identify the items of property and equipment tracked by the fixed asset recordkeeping system.

These listings prescribe a level of detail that companies maintain to support the amounts in the plant accounts. However, the property unit listings do not reflect the technological changes that have taken place in the utility industry. The NOPR proposes to remove the prescribed property unit listings, and allow Companies to identify property units and maintain a level of support determined by their business needs. The NOPR will not eliminate the need for Companies to maintain a property recordkeeping system. Companies will continue to maintain support of the amounts shown in the plant accounts.

As discussed below, the level of detail prescribed by the property unit listings and regulations place an unnecessary burden on Companies, are not current, are too restrictive, and appear to provide minimal benefit to either the Companies or to the Commission.

A. Burdens for Companies

(1) Recordkeeping Burden

Companies are experiencing fixed asset recordkeeping burdens due to the level of detail currently prescribed by 18 CFR parts 116, 216, and 352 (instruction 3–14). These regulations require companies to keep detailed fixed asset records for each unit of property and its associated cost, and track the units' costs throughout the life of the asset.

For example, under the Commission's prescribed property unit listings, a Company may keep several fixed asset records for a building. These records detail the cost of the building's foundation, ventilating system, fire escape system, fire protection system, plumbing system, roof, and various other units of property, if the components or systems are relatively costly, and are identified in the List of General Retirement Units.[10]

In April 1997, Industry Groups initiated and conducted their own survey of their associated companies. The survey requested Companies to estimate the burden associated with tracking units of property in accordance with parts 116, 216 and 352 (instruction 3–14). Companies' responses included estimated annual number of hours, labor dollars, and the portion of software costs used for complying with the regulations. Table 1 shows the estimated cost of identifying units of property in accordance with the current regulations, based upon meetings with the Industry Groups and their survey results.

TABLE 1.—AVERAGE ANNUAL LABOR COSTS INCURRED PER SURVEYED COMPANY TO TRACK UNITS OF PROPERTY AT DETAILED LEVEL PRESCRIBED BY PARTS 116, 216 AND 352. INSTRUCTION 3–14

Source*	Average annual labor costs per surveyed company
Edison Electric Institute (EEI)	$592,000
Interstate Natural Gas Association of America (INGAA)	122,000
American Gas Association (AGA)	315,000
Association of Oil Pipelines (AOPL)	80,000

*13 Public Utilities responded to EEI's preliminary survey; 16 Natural Gas Companies responded to INGAA's preliminary survey, and 19 Oil Pipelines responded to AOPL's preliminary survey. AGA did not identify the number of respondents.

Eliminating the property unit listings and regulations would give Companies the flexibility to maintain their own property listings and track the costs of fixed assets at the level of detail tailored to their business. This would reduce the burden Companies experience when tracking fixed assets at a level more detailed than either their business or the Commission needs.

(2) Software Burden

Another burden placed on Companies is the cost of developing fixed asset software that is utility specific, or purchasing and modifying non-utility specific software. Companies often must modify the software in order to track units of property in the manner prescribed by the Commission. The preliminary surveys that were initiated and conducted by Industry Groups show their associated companies incur costs ranging from $20,000 to $2.7 million for fixed asset software.

Based on the preliminary surveys, Companies could realize substantial savings if the Commission deletes unnecessary detailed recordkeeping requirements. The proposed changes would also eliminate the burden placed on the Commission to update the items in the listings.

B. Revamping Fixed Asset Regulations

(1) Property Units Listings

The Commission's review of electric, gas and oil pipeline property listings found that the Commission's property listings do not contain all types of property currently used by Companies. The listings in Parts 116, 216, and 352 (instruction 3–14) do not include

[9] 18 CFR parts 101, 201 and 352. The USofA for Public Utilities and Natural Gas Companies specifies in the plant instructions of parts 101 and 201, respectively, the type of information companies must keep related to their fixed assets.

[10] The process of sub-dividing a fixed asset into its various major components or unit of propoerty units is also referred to as the ''unitization process.''

property resulting from technological advances, such as scrubbers, microwave towers, and smart pigging equipment. Additionally, the property unit listings contain items of property that are no longer used by Companies such as telegraph and teletype equipment and gas storage cleaning equipment. By allowing Companies the flexibility to identify and maintain their own property unit listings the proposed revisions to the regulations will eliminate the need for the Commission to devote resources necessary to update the listings.

(2) Minimum Rule for Oil Pipelines

Unlike Public Utilities and Natural Gas Companies, Oil Pipelines are subject to a Minimum Rule as prescribed in Part 352 (instruction 3–2). The minimum rule requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500. It also requires Oil Pipelines to obtain Commission approval if they wish to change the minimum level.

The Commission considers the $500 dollar threshold to be inadequate in today's environment. Consequently, the Commission proposes to delete the prescribed minimum rule, and permit Oil Pipelines to establish their own dollar threshold in order to avoid undue refinement in accounting for acquisitions, additions, and improvements.

C. Restrictions on Estimating Cost

Carrier regulations do not permit companies to estimate property costs at the time of retirement when the cost is not determinable. However, Public Utilities and Natural Gas Companies are permitted to use estimates in similar circumstances.[11] Unlike Oil Pipelines, they may use cost trending indices to determine an estimated cost of retired property when it is impractical or unduly burdensome to identify the cost.

Therefore, the Commission proposes to permit Oil Pipeline to use estimates in Oil Pipeline plant instructions when it is impractical or unduly burdensome to identify the cost of the property retired. The Commission will also require that Oil Pipelines be prepared to furnish the Commission with the basis of such estimates if requested.

IV. Information Collection Statement

The following collections of information contained in this proposed rule are being submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1995. (*See* 44 U.S.C. 3507(d)) The information provided under 18 CFR parts 101 and 116 is approved under OMB Control Nos. 1902–0021, 1902–0029 and 1902–0092; for parts 201 and 216, OMB Control Nos. 1902–0028, 1902–0030 and 1902–0092 and for part 352 OMB Control Nos. 1902–0022. Applicants shall not be penalized for failure to respond to these collections of information unless the collection(s) of information display a valid OMB control number.

The Commission's regulations governing units of property in parts 116, 216 and 352 (instruction 3–14) require companies to keep detailed fixed asset records, including the costs for each unit of property, and then track the units' costs throughout the life of the asset. These regulations place recordkeeping burdens on Companies.

Information Collection Burden and Costs: In the preliminary survey conducted in April 1997, Companies provided an estimate of the annual number of hours they incur when identifying units of property in accordance with parts 116, 216 and 352 (instruction 3–14) regulations. Table 2 displays the average number of hours spent per respondent in each industry group:

TABLE 2.—AVERAGE ANNUAL LABOR HOURS INCURRED PER SURVEYED COMPANY TO TRACK UNITS OF PROPERTY AT THE PRESCRIBED DETAILED LEVEL

Source	Average Annual Labor Hours per Surveyed Company
Public Utilities (source: Edison Electric Institute)	16,430
Natural Gas Companies (source: Interstate Natural Gas Association of America)	5,863

Total Average Annual Labor Hours for Collection of Information for Public Utilities and Natural Gas Companies: 4,224,259.

The Commission anticipates substantial savings with the proposed reduction of these recordkeeping requirements and, as part of the proposed rule, solicits comments on potential cost savings. (*See* 5 CFR 1320.11)

Comments are solicited on the Commission's continuing need for this information, whether the information has practical use, ways to enhance the quality, use and clarity of the information collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques.

The Commission requires public utilities and licensees, natural gas companies and oil pipeline companies to identify units of property as listed in 18 CFR parts 116, 216 and 352 (instruction 3–14). The listing identifies major components of plant property each company must track throughout the property's life. The Commission also specifies in parts 101 and 201 (Electric and Gas Plant Instructions), the type of information and level of detail Companies must keep of their fixed assets.

The proposed rule seeks to modify these requirements to reduce the recordkeeping burden imposed on Companies and to make the regulations current with industry practices. Therefore, the Commission proposes to delete parts 116, 216 and 352 (instruction 3–14)—Property Unit Listings and requirements.

The Commission's internal review determined that there is specific, objective support for the burden estimates associated with the Commission's requirements.

Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, (Attention: Michael Miller, Division of Information Services, Phone: (202) 208–1415, fax: (202) 273–0873, E-mail: mmiller@ferc.fed.us

For submitting comments concerning the collection of information(s) and the associated burden estimate(s) send your comments to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, D.C. 20503. (Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395–3087, fax: (202) 395–7285)

V. Environmental Analysis

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human

[11] 18 CFR part 101 for Public Utilities states in electric plant instruction 10(D) that the "book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts. . . The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated;" 18 CFR part 201 for Natural Gas Companies states in gas plant instruction 10(D) that the "book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts * * * The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated."

environment.[12] The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.[13] The action proposed here is procedural in nature and therefore falls within the categorical exclusions provided in the Commission's regulations.[14] Therefore, neither an environmental impact statement nor an environmental assessment is necessary and will not be prepared in this proposed NOPR.

VI. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act[15] generally requires the Commission to describe the impact that a proposed rule would have on small entities or to certify that the rule will not have a significant economic impact on a substantial number of small entities. An analysis is not required if a proposed rule will not have such an impact.[16]

Pursuant to section 605(b), the Commission certifies that the proposed rule, if promulgated, will not have a significant adverse economic impact on a substantial number of small entities.

VII. Comment Procedures

The Commission invites interested persons to submit written comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. All comments must be filed with the Commission no later than September 15, 1997. An original and 14 copies of comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, and should refer to Docket No. RM97–6–000. Additionally, comments should be submitted electronically. Participants can submit comments on computer diskette in WordPerfect® 6.1 or lower format or in ASCII format, with the name of the filer and Docket No. RM97–6–000 on the outside of the diskette.

All written comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference Room at 888 First Street, NE, Washington, DC 20426, during regular business hours.

[12] Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Statutes and Regulations, Regulations Preambles 1986–1990 ¶ 30,783 (1987).

[13] 18 CFR 380.4.

[14] *See* 18 CFR 380.4(a)(2)(ii).

[15] 5 U.S.C. 601–612.

[16] 5 U.S.C. 605(b).

List of Subjects

18 CFR Part 101

Electric power, Electric utilities, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 116

Electric power plants, Electric utilities, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 201

Natural gas, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 216

Natural gas, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 352

Pipelines, Reporting and recordkeeping requirements, Uniform System of Accounts.

By direction of the Commission.

Lois D. Cashell,

Secretary.

In consideration of the foregoing, the Commission gives notice of its proposal to amend Parts 101, 116, 201, 216, and 352 Chapter I, Title 18, Code of Federal Regulations, as set forth below.

PART 101—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FEDERAL POWER ACT

1. The authority citation for Part 101 continues to read as follows:

Authority: 16 U.S.C. 791a–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7102–7352, 7651–7651o.

2. In Part 101, Electric Plant Instruction 10, paragraphs A and D are revised to read as follows:

10. Additions and Retirements of Electric Plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of electric plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall maintain a written property units listing for use in accounting for additions and retirements of electric plant, apply the listing consistently, and if requested, furnish the Commission with justifications for any changes to the listing.

* * * * *

D. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done it shall be estimated. Utilities must furnish the particulars of such estimates to the Commission, if requested. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

* * * * *

3. In Part 101, Electric Plant Instruction 11, paragraph C is revised to read as follows:

11. Work Order and Property Record System Required.

* * * * *

C. In the case of Major utilities, each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various record units or retirement units.

PART 116—UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF ELECTRIC PLANT

4. Part 116 is removed.

PART 201—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR NATURAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT

5. The authority citation for Part 201 continues to read as follows:

Authority: 15 U.S.C. 717–717w, 3301–3432; 42 U.S.C. 7101–7352, 7651–7651o.

6. In Part 201, Gas Plant Instruction 10, paragraphs A and D are revised to read as follows:

10. *Additions and retirements of gas plant.* A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall maintain a written property units listing for use in accounting for additions and retirements of gas plant, apply the listing consistently, and if requested, furnish the Commission with

justifications for any changes to the listing.

* * * * *

D. The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done it shall be estimated. Utilities must furnish the particulars of such estimates to the Commission, if requested. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

* * * * *

7. In Part 201, Gas Plant Instruction 11, paragraph C is revised to read as follows:

11. *Work order and property record system required.*

* * * * *

C. Each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various record units or retirement units.

PART 216—UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF GAS PLANT

8. Part 216 is removed.

PART 352—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR OIL PIPELINE COMPANIES SUBJECT TO THE PROVISIONS OF THE INTERSTATE COMMERCE ACT

9. The authority citation for Part 352 is revised to read as follows:

Authority: 49 U.S.C. 60502; 49 App. U.S.C. 1–85.

10. In Part 352, Instructions for Carrier Property Accounts, instruction 3–2, *Minimum Rule* is removed. In instructions 3–5, introductory text, and 3–6(a), the phrase ''subject to the minimum rule'' is removed.

11. In Part 352, Instructions for Carrier Property Accounts, instruction 3–4, *Additions* is revised to read as follows:

3–4 *Additions.* Each carrier shall maintain a written property units listing for use in accounting for additions and retirements of carrier plant, apply the listing consistently, and if requested, furnish the Commission with justifications for any changes to the listing. When property units are added to Carrier plant, the cost thereof shall be added to the appropriate carrier plant account as set forth in the policy.

12. In Part 352, Instructions for Carrier Property Accounts, instruction 3–7, *Retirements,* introductory text and paragraph (b)(1) are revised and new paragraph (c) is added to read as follows:

3–7 *Retirements.* When property units are retired from carrier plant, with or without replacement, the cost thereof and the cost of minor items of property retired and not replaced shall be credited to the carrier plant account in which it is included. The retirement of carrier property shall be accounted for as follows:

(a) * * *

(b) Property. (1) The book cost, as set forth in paragraph (c) of this instruction, of units of property retired and of minor items of property retired and not replaced shall be written out of the property account as of date of retirement, and the service value shall be charged to account 31, Accrued Depreciation—Carrier Property.

* * * * *

(c) The book cost of carrier property retired shall be determined from the carrier's records and if this cannot be done it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired. Oil Pipelines must furnish the particulars of such estimates to the Commission, if requested.

13. In Part 352, Instructions for Carrier Property Accounts, instruction 3–14 *Accounting units of property* is removed.

[FR Doc. 97–20149 Filed 7–30–97; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 4, 122, 123, 148 and 192

RIN 1515–AB99

Lay Order Period; General Order; Penalties

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to amend the Customs Regulations to require that the importing carrier notify a bonded warehouse proprietor of the presence of merchandise that has remained at the place of arrival or unlading beyond the lay order period without entry having been completed, thereby initiating the obligation of the bonded warehouse proprietor to arrange for transportation and storage of the unentered merchandise at the risk and expense of the consignee. The document also proposes to amend the Customs Regulations to provide for penalties against importing carriers for failure to notify Customs of the presence of such merchandise. These proposed regulatory changes reflect amendments to the underlying statutory authority enacted as part of the Customs Modernization provisions of the North American Free Trade Agreement Implementation Act. Finally, the document makes certain conforming changes to the Customs Regulations in order to reflect a number of other statutory amendments and repeals enacted by the Customs Modernization provisions and in order to reflect the recent recodification and reenactment of title 49, United States Code.

DATES: Comments must be received on or before September 29, 1997.

ADDRESSES: Written comments (preferably in triplicate) may be addressed to the Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service, Franklin Court, 1301 Constitution Avenue NW., Washington, DC 20229. Comments submitted may be inspected at the Regulations Branch, Office of Regulations and Rulings, Franklin Court, 1099 14th Street NW., Suite 4000, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Jeremy Baskin, Penalties Branch, Office of Regulations and Rulings (202) 482–6950.

SUPPLEMENTARY INFORMATION:

Background

On December 8, 1993, amendments to certain Customs and navigation laws became effective as the result of enactment of the North American Free Trade Agreement Implementation Act, Public Law 103–182, 107 Stat. 2057. Title VI of that Act sets forth Customs Modernization provisions that are popularly referred to as the Mod Act.

Section 656 of the Mod Act amended section 448(a) of the Tariff Act of 1930 (19 U.S.C. 1448(a)) to provide, *inter alia*, that: (1) The owner or master of any vessel or vehicle, or the agent thereof, shall notify Customs of any merchandise or baggage unladen for which entry is not made within the time prescribed by law or regulation; (2) the