

of consultations with response agencies to seek oil removal during or after the response phase.

Dated: February 6, 1998.

**Nancy Foster,**

*Assistant Administrator for Ocean Services and Coastal Zone Management.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

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

[Docket No. RM97-6-000; Order No. 598]

#### Units of Property Accounting Regulations

Issued February 5, 1998.

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission is amending 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 is removing 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 is removing the regulation which prescribes a minimum rule that requires oil pipelines to charge operating expenses for acquisitions, additions and improvements costing less than \$500.

**EFFECTIVE DATE:** March 13, 1998.

**FOR FURTHER INFORMATION CONTACT:**

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

Mark Klose, Office of the Chief Accountant, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, (202) 219-2595

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the Commission provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2-A, 888 First Street, N.E., Washington, D.C. 20426. 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 located in the Public Reference Room at 888 First Street, N.E., Washington, D.C. 20426.

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Before Commissioners: James J. Hoecker, Chairman; Vicky A. Bailey, William L. Massey, Linda Breathitt, and Curt Hebert, Jr.

#### 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) here adopts a final rule, amending its regulations, which require jurisdictional public utilities and licensees, natural gas companies and oil pipeline companies to maintain a written listing of Units of Property and to apply the listing consistently. These three groups are collectively called "Companies" in this final rule.

Under the final rule, Companies will have the opportunity to identify and maintain Units of Property listings that are up-to-date and more in harmony with the needs of their businesses. Companies may reduce the level and number of detailed Units of Property records that they currently maintain.

The final rule eliminates Title 18, Code of Federal Regulations (18 CFR),

Parts 116, 216, and 352 (instruction 3-14). Elimination of these parts will not affect the information currently reported in the FERC Forms 1, 1-F, 2, 2-A or 6.<sup>1</sup> These Forms do not report costs at the level of detail prescribed by Parts 116, 216 and 352 (instruction 3-14). Therefore, the final rule would not affect the information contained in these forms.

The elimination of these regulations would 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 final rule, Companies will account for the additions and retirements of such plant in accordance with instructions contained in 18 CFR under the Commission's Uniform System of Accounts (USofA) for public utilities and licensees, natural gas companies, and oil pipeline companies.<sup>2</sup>

Additionally, the final rule clarifies that Companies may use estimates when it is either impractical or unduly burdensome for Companies to identify the cost of retired property, and it removes the minimum rule requiring oil pipelines to charge operating expenses for acquisitions, additions and improvements costing less than \$500.

#### I. Public Reporting Burden

The Commission estimates that this final rule will reduce the public reporting burden by an annual average of 29,768 hours, for public utilities and licensees, natural gas companies, and oil pipeline companies. The average costs associated with these hours, across all regulated companies, total \$5,153,563.

Comments regarding these burden estimates or any other aspect of these collections of information, including suggestions for reducing this burden, can be sent to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426 [Attention: Michael Miller, Information Services Division, (202) 208-1415]; and to the Office of Information and

<sup>1</sup> 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.

<sup>2</sup> See 18 CFR Part 101, USofA prescribed for Public Utilities and Licensees, Part 201, USofA prescribed for Natural Gas Companies, and Part 352, USofA prescribed for Oil Pipeline Companies (1996)

Regulatory Affairs of the Office of Management and Budget (OMB) (Attention: Desk Officer for Federal Energy Regulatory Commission), FAX: (202) 395-5167.

## II. Background

On July 25, 1997, the Commission issued a Notice of Proposed Rulemaking (NOPR) <sup>3</sup> that proposed to amend the Commission's regulations relating to Units of Property listings. The Commission noted that the USofA requires Companies to record the cost of additions and retirements of property and equipment in the appropriate plant accounts.<sup>4</sup> 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 proposed 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. This would not eliminate the need for Companies to maintain a property recordkeeping system. Companies would continue to maintain support of the amounts shown in the plant accounts.

The Commission observed that the level of detail prescribed by the current 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.

For public utilities and natural gas companies, the NOPR proposed 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 NOPR proposed to modify 18 CFR Part 101, Electric Plant Instruction 10, and 18 CFR Part 201, Gas Plant Instruction 10, to require Companies 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 NOPR proposed 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.

In the NOPR the Commission concluded that 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 in turn would reduce the burden Companies experience when tracking fixed assets at a level more detailed than either their business or the Commission needs, and also eliminate the burden placed on the Commission to update the items in the listings to take account of technological advances and items of property that are no longer used by Companies.

For oil pipelines, the NOPR proposed to delete 18 CFR Part 352 (instruction 3-14), which prescribes a units-of-property listing. The NOPR proposed 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 NOPR proposed 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. This proposal was intended to bring oil pipeline regulations into line with those for public utilities and natural gas companies, which are permitted to use estimates in similar circumstances.

Finally, the NOPR also proposed to delete as inadequate in today's environment 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)). As a consequence, oil pipelines would be permitted to establish their own dollar threshold in order to avoid undue refinement in accounting for acquisitions, additions, and improvements.

The Commission requested that interested persons submit written comments no later than September 15, 1997. Twenty-one entities submitted

comments.<sup>5</sup> All the commenters were supportive of the rulemaking, particularly the proposal to remove the Commission's prescribed Units of Property listing and permit Companies to maintain their own written Units of Property listing.

## III. Discussion

Upon review of the comments submitted, the Commission concludes that the rule proposed in the NOPR should be adopted with minor modifications. Specifically, the final rule does not adopt the proposed language requiring Companies, when requested, to furnish justification for any changes to their Units of Property listings, since the USofA already contains instructions requiring Companies to maintain the necessary information to support amounts included in their books and records. Other matters as raised in the comments to the NOPR are discussed below.

### A. Clarification of Electric and Gas Plant Instruction 11, Paragraph C

The Commission proposed a minor revision of the language contained in Electric and Gas Plant Instruction 11, Paragraph C, by removing the phrase "\* \* \* subsequent to the effective date of this system of accounts. \* \* \*"

While no party objected to or commented upon the specific change the Commission proposed, a large number of commenters requested clarification of revised Electric and Gas Plant Instruction (EPI and GPI) 11, Paragraph C. They believe the latter instruction is ambiguous and could be interpreted to require Companies to maintain quantity and cost detail for each separate retirement unit. To remedy this ambiguity, EEI and Ohio Edison recommend that this instruction be clarified to specifically not require detail at the retirement unit level. AGA and CINergy recommend that, to provide more clarity, Paragraph C should be revised to read: "each utility shall maintain records for each plant account such that the amounts of annual additions and retirements can be audited as to consistent application of the capitalization policy."

AEP urges that Paragraph C be eliminated, arguing that it is not necessary to require the number and cost of annual additions and retirements for each retirement unit. AEP states that permitting utilities to account for additions to plant following their Units of Property listing while not requiring that they keep individual property cost records for each retirement unit would

<sup>3</sup> Units of Property Accounting Regulations, Docket No. RM97-6-000, FERC Stats. & Regs. ¶ 61,113 (1997), 62 FR 40987 (July 31, 1997).

<sup>4</sup> 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.

<sup>5</sup> See Appendix.

provide for the appropriate treatment of asset additions and retirements without the burden of keeping separate continuing property records for each retirement unit.

The Electric and Gas Plant instructions read that Companies shall maintain fixed asset records at a detailed retirement unit level or at a higher record unit level.<sup>6</sup> The Commission has never specifically defined a record unit. The most predominant interpretation of the term record unit is that it is synonymous with the term retirement unit. For the purpose of the rulemaking and in the future, we define a record unit as two or more related retirement units. Therefore, the existing plant instructions permit Companies to maintain fixed asset records at a higher level if they so choose. Consequently, Companies need not maintain cost records at the detail retirement unit level and therefore, it is unnecessary to remove EPI and GPI 11, paragraph C at this time in order to adopt the changes contained in the final rule.

#### *B. Adoption of a Capitalization Policy*

The NOPR proposed to remove the prescribed Units of Property listings contained in Parts 116, 216 and 352 (instruction 3-14); requiring Companies to maintain their own written Units of Property Listing for use in accounting for additions and retirements of plant.

AGA, CINergy and PECO Energy state that the new wording requiring Companies to maintain a written Units of Property listing misses the intended purpose for change, which was to have a written capitalization policy of which a property listing would be a by-product. Companies also state that the capitalization policy would establish guidelines that define their assets.

CINergy and PECO Energy suggest that Electric and Gas Plant Instruction 10, paragraph A, requires a written capitalization policy which would establish the guidelines by which a company would define its assets rather than requiring Companies to maintain a written Units of Property listing. Therefore, a Units of Property listing would be a part of the capitalization policy.

The purpose of the proposed rule was not to change the existing accounting

framework for additions and retirements to the plant accounts, but it was to reduce the recordkeeping burden placed on Companies. Companies will continue to treat all utility plant as consisting of retirement units and minor items of property. The Commission will continue to require Companies to account for the additions and retirements of such plant in accordance with instructions contained in the Commission's USofA.

The final rule results in Companies having the flexibility to maintain their fixed asset records at a level of detail that meets their business needs. The Commission will no longer prescribe a detailed Units of Property listing for Companies to use in conjunction with their fixed asset accounting systems.

#### *C. Changes to Units of Property Listing*

The Commission proposed in the NOPR to require Companies, if requested, to furnish the Commission with a justification for any changes made to their Unit of Property listings.

Four commenters expressed a concern about how far back Companies must keep the justifications for changes they made to their Units of Property listings, as proposed in Electric and Gas Plant Instruction 10, paragraph A.

Commonwealth Edison and NYSEG asked whether the time frame would mean changes since Part 116 was eliminated or changes during the past year or changes since the Commission last requested the Company's listing. EEI recommends that the Commission clarify that only changes made during the 12 months before the Commission's request for justification should have to be justified. OG&E recommends that the Commission indicate whether a certain time frame was intended for such a request, or will it be determined on an individual basis.

The Commission's USofA requires Companies to maintain their books and records in such a manner as to be able to furnish information as to any item included in any account.<sup>7</sup> This would also include amounts recorded in

Companies' fixed asset record keeping system. We, therefore, do not believe it is necessary to include the proposed language contained in the NOPR that would have required Companies to furnish us with a justification for any changes to their Units of Property listings since the USofA already contains instructions requiring Companies to maintain the necessary information to support amounts included in their books and records.

Furthermore, a Company's Units of Property listing is an integral part of its entire fixed asset recordkeeping system. Therefore, we would anticipate that Companies would maintain the necessary records, including changes to their Units of Property listings, in order to develop the history or facts surrounding transactions recorded in their fixed asset recordkeeping systems.

#### *D. Estimating the Cost of Plant Retirements*

The NOPR proposed to clarify existing requirements for public utilities and licensees and natural gas companies that permit the use of estimates for the purpose of determining the actual cost of retired property. The NOPR would also allow oil pipelines to use such estimates.

AGA, CINergy, PECO Energy, OG&E, and Consumers Energy expressed concern that the last sentence of Electric and Gas Plant Instruction 10, paragraph D requires a specific method of retirement cost estimation. They believe that Companies should be able to choose the method of retirement estimation that is appropriate for them.

Even though there is a specific estimation method mentioned in paragraph D, the Commission did not intend it to be the only method a company may use to determine the cost of plant retirements. We believe that Companies should use an appropriate estimation method that would provide a reasonable estimate of the cost of plant retirements based upon the nature of the property involved and information available.

#### *E. Accounting Requirements for Minor Items of Property*

The Commission stated in the NOPR that Companies would continue to treat all plant as consisting of retirement units and minor items of property, and account for the additions and retirements of such plant in accordance with instructions contained in 18 CFR under the Commission's USofA for public utilities and licensees, natural

<sup>6</sup> 18 CFR, Part 101, Electric Plant Instruction and Part 201, Gas Plant Instruction paragraph 11(C) read, "Each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements, subsequent to the effective date of this system of accounts, are classified so as to show the number and cost of the various record units or retirement units (emphasis added).

<sup>7</sup> 18 CFR Parts 101 and 201, Electric and Gas General Instructions 2(A), respectively and Part 352, Carrier General Instructions (1-2), Records, reads, "Each utility/carrier shall keep its books of account \* \* \* which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto. 2(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction."

gas companies, and oil pipeline companies.<sup>8</sup>

PSColorado and Cheyenne state that another cause of fixed asset recordkeeping burden is the Commission's prescribed treatment of minor items in Electric and Gas Plant Instruction 10, paragraph C. They say it has created detailed plant ledger unit entries to identify the major parts or components of a retirement unit. Then, when one of these units needs to be replaced, it can be replaced by charging capital for the entire replacement cost rather than charging expense or just the incremental materials cost of replacement in the case of a betterment. They recommend revising paragraph C to allow Companies to capitalize the replacement of major components of a retirement unit without having to use betterment accounting or without having to break down the retirement unit into its component pieces in the fixed asset records.

As previously mentioned, it was not our intention to change the requirements contained in electric and gas plant instructions concerning the accounting for additions or replacements of minor items of property, including the use of betterment accounting. Therefore, we decline to make any changes to our accounting instructions for additions and replacements of minor items of property at this time. Furthermore, the detailed fixed asset recordkeeping requirements contained in Parts 116, 216 and 352 relate only to retirement units and not to minor items of property. Consequently, any additional recordkeeping burdens incurred to track minor items of property, or components of retirement units, should not be attributed to our plant accounting regulations.

#### *F. Other Issues*

##### **1. Effective Date**

PECO Energy and NEES expressed concern that the NOPR does not give an effective date for implementation of the proposed changes. PECO Energy recommends that the final document provide a reasonable time frame for implementation.

Companies may begin implementing their own Units of Property listings for calendar year 1998.

<sup>8</sup> See 18 CFR Part 101, USofA prescribed for Public Utilities and Licensees, Part 201, USofA prescribed for Natural Gas Companies, and Part 352, USofA prescribed for Oil Pipeline Companies (1996).

##### **2. Commenters' Suggestions for Related Changes to Other Sections**

Santa Fe suggested that the Commission should revise 18 CFR Part 362—Uniform System of Records and Reports of Property Changes, concerning valuation in regards to the changes proposed in the NOPR.

Marathon expressed disappointment that the Commission took no action to permit alternate methods of depreciation other than the present group depreciation methodology, which it claims is cumbersome when dealing with year 2000 issues as well as implementation of new accounting software.

Although these suggested changes to other sections of the Commission's regulations may have merit, they were not the focus of this rulemaking, and we decline to make changes to Part 362 at this time. Additionally, in the context of this rulemaking, it was not the Commission's intent to permit alternate depreciation methodology, and therefore, the Commission declines making any judgment regarding Marathon's comments.

#### **IV. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) requires agencies to prepare certain statements, descriptions, and analyses of proposed rules that will have a significant economic impact on a substantial number of small entities.<sup>9</sup> The Commission is not required to make such analyses if a rule would not have such an effect.

The Commission does not believe that this rule would have such an impact on small entities. Most filing companies regulated by the Commission do not fall within the RFA's definition of small entity.<sup>10</sup> Further, the recordkeeping requirements of small entities are reduced by the rule. Therefore, the Commission certifies that this rule will not have a significant economic impact on a substantial number of small entities. Therefore, no regulatory flexibility analysis is required.

#### **V. Environmental Statement**

The Commission excludes certain actions not having a significant effect on the human environment from the requirement to prepare an environmental assessment or an environmental impact statement.<sup>11</sup> The

<sup>9</sup> 5 U.S.C. 601-612.

<sup>10</sup> 5 U.S.C. 601(3) citing to section 3 of the Small Business Act, 15 U.S.C. 632. Section 3 of the Small Business Act defines a "small business concern" as a business which is independently owned and operated and which is not dominant in its field of operation.

<sup>11</sup> 18 CFR 380.4.

promulgation of a rule that is procedural or that does not substantially change the effect of legislation or regulations being amended raises no environmental consideration.<sup>12</sup> The instant rule amends Parts 101 and 201 regulations, eliminates Parts 116, 216 and instruction 3-14 of Part 352 and does not substantially change the effect of the underlying legislation or the regulations being revised or eliminated. Accordingly, no environmental consideration is necessary.

#### **VI. Information Collection Statement**

OMB's regulations in 5 CFR 1320.11 require that it approve certain reporting and recordkeeping (collections of information) imposed by agency rule. The Commission is submitting a copy of this Final Rule to OMB for informational purposes only because the Final Rule is not significantly different from the NOPR. Moreover, the Final Rule eliminates sections of the Commission's regulations which had required reporting and recordkeeping requirements.

##### *Public Reporting Burden*

The Commission estimates that this final rule will reduce the public reporting burden by an annual average of 29,768 hours, for public utilities and licensees, natural gas companies, and oil pipeline companies. The Commission received 21 comments on its NOPR and none on its reporting burden or cost estimates. The Discussion portion (Part III) of this Final Rule addresses the Commission's responses to the comments.

This final rule removes the Commission's requirements governing prescribed Units of Property listings contained in Parts 116, 216 and instructions 3-14 of Part 352. This gives companies the flexibility to maintain their own lists and also removes the requirement of the minimum rule for Oil Pipelines, eliminating the need to make expense additions and improvements of less than \$500 and then seek the Commission's approval to change this amount. The final rule also amends Parts 101 and 201 by requiring regulated entities to maintain their own Units of Property listings for use in accounting for additions and retirements of plant and apply these listings consistently.

*Title:* Units of Property.

*Respondents:* Public utilities and licensees, Interstate natural gas pipeline companies, oil pipeline companies (Business or other for-profit).

*Frequency of Responses:* On occasion.

<sup>12</sup> 18 CFR 380.4(a)(2)(ii).

*Necessity of Information:* The final rule proposes to provide companies the ability to identify and maintain their units of property records at a level of detail better suited to their own business practices by reducing the level of detail. In addition, oil pipeline companies will no longer be required to charge operating expenses for acquisitions, additions and improvements costing less than \$500, or notify and seek Commission approval for using thresholds less than that amount. The Commission requires that Companies maintain this information in order that it may ensure that Companies' financial records and reports comply with Commission's accounting and reporting requirements. These requirements have been established in response to mandates of the Federal Power Act, the Natural Gas Act and the Interstate Commerce Act. Through these requirements, the Commission is able to establish the reliability of financial data of jurisdictional companies and the extent of conformance by the companies to the USofA and other Commission regulations. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

## VII. Effective Date and Congressional Notification

This final rule is effective March 13, 1998. The Small Business Regulatory Enforcement Fairness Act of 1996 requires agencies to report to Congress on the promulgation of certain final rules prior to their effective dates.<sup>13</sup> That reporting requirement applies to this Final Rule. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget, that this rule is not a "major rule" as defined in section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996.

## 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 the Commission.

**David P. Boergers,**

*Acting Secretary.*

In consideration of the foregoing, the Commission amends 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 will 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 and apply the listing consistently.

\* \* \* \* \*

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 and apply the listing consistently.

\* \* \* \* \*

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

<sup>13</sup> Pub. L. No. 104–121, 110 Stat. 847(1996).

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 continues 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 and apply the listing consistently. 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 below, 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 deleted.

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

*Docket No. RM97-6-000*

##### **Appendix**

The commenters on the NOPR are:

1. American Electric Power System (AEP),
2. American Gas Association (AGA),
3. Cinergy Corporation (CINergy),
4. Colonial Pipeline Company (Colonial),
5. Commonwealth Edison Company (Commonwealth Edison),
6. Consumers Energy Company (Consumers Energy),
7. Duke Power Company (Duke),
8. Edison Electric Institute (EEI),
9. Explorer Pipeline Company (Explorer),
10. Interstate Natural Gas Association of America (INGAA),
11. Lakehead Pipe Line Company, Limited Partnership (Lakehead),
12. Marathon Pipe Line Company (Marathon),
13. Minnesota Power & Light Company (Minnesota P & L),
14. New England Electric System (NEES),
15. New York State Electric & Gas Corporation (NSYEG),
16. Ohio Edison Company (Ohio Edison),
17. Oklahoma Gas & Electric Company (OG&E),
18. PECO Energy Company (PECO Energy),
19. Joint comments of Public Service Company of Colorado (PSColorado) and Cheyenne Light, Fuel and Power Company (Cheyenne),
20. SFPP, L.P. (SFPP), and
21. Virginia Electric & Power Company (VEPCO).

[FR Doc. 98-3457 Filed 2-10-98; 8:45 am]

BILLING CODE 6717-01-P

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Food and Drug Administration**

#### **21 CFR Part 177**

[Docket No. 97F-0181]

#### **Indirect Food Additives: Polymers**

**AGENCY:** Food and Drug Administration, HHS.

**ACTION:** Final rule.

**SUMMARY:** The Food and Drug Administration (FDA) is amending the food additive regulations to change the melting point range for propylene homopolymers, intended for use in contact with food, from 160–180 °C to 150–180 °C. This action is in response to a petition filed by Exxon Chemical Co.

**DATES:** The regulation is effective February 11, 1998; written objections and requests for a hearing by March 13, 1998.

**ADDRESSES:** Submit written objections to the Dockets Management Branch (HFA-305), Food and Drug Administration, 12420 Parklawn Dr., rm. 1-23, Rockville, MD 20857.

#### **FOR FURTHER INFORMATION CONTACT:**

Mark A. Hepp, Center for Food Safety and Applied Nutrition (HFS-215), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202-418-3098.

**SUPPLEMENTARY INFORMATION:** In a notice published in the **Federal Register** of May 16, 1997 (62 FR 27060), FDA announced that a food additive petition (FAP 7B4544) had been filed by Exxon Chemical Co., P.O. Box 3272, Houston, TX 77253-3272. The petition proposed to amend the food additive regulations in § 177.1520 *Olefin polymers* (21 CFR 177.1520), to change the melting point range for propylene polymers, intended for use in contact with food, from 160–180 °C to 150–180 °C. However, the petitioner submitted data and information to support a proposed change in the melting point range from 160–180 °C to 150–180 °C for propylene homopolymers prepared from metallocene catalysts. Therefore, FDA considered a change in the melting point only for propylene homopolymers prepared from metallocene catalysts.

In the **Federal Register** of May 16, 1997 (62 FR 27060), the filing notice for the petition stated that the action resulting from the petition qualified for a categorical exclusion under previous 21 CFR 25.24(9). This was a misprint and should have cited 21 CFR 25.24(a)(9). Upon further review, the agency determined that such a