

sale of electric energy. None of these latter objectives depend upon the extent of wholesale sales or the percentage of interstate transmission in any particular case. The independent importance of these regulatory activities was spelled out in detail by the Commission, in light of the Act's legislative history, almost 20 years ago in the *Connecticut Light and Power* case, *supra*. FPL has presented no argument which would now persuade us to a contrary conclusion.

We agree with the examiner that FPL will not be subjected to any unduly burdensome costs by our requirement that it keep its accounts in accordance with the Commission's Uniform System of Accounts for Public Utilities. Although FPL asserts that it will incur more than \$500,000 additional annual costs if it must comply with the Commission's accounting requirements, its contention is unsupported on the record before us. With respect to reporting, FPL presently files this Commission's principal report forms, FPC Form No. 1, Annual Report, and FPC Form No. 12, Power System Statement, as required under Section 311, among other sections, of the Power Act. Nor should any substantial expense result from FPL's compliance with the Commission's accounting requirements. FPL presently keeps its plant accounts on an original cost basis and maintains its books of account in accordance with the NARUC (National Association of Railroad and Utilities Commissioners) system of accounts which are similar to those of the Commission's Uniform System of Accounts.

FPL's further assertion that it will incur an estimated 4 to 6 million dollar expense to complete an initial plant inventory required by the Commission's Uniform System of Accounts is based upon indefinite and conjectural evidence, and plainly reveals a definite misunderstanding of what is required of it under the Commission's regulations. Thus, FPL's estimate of these costs erroneously includes the sum of approximately \$3,200,000 for an aerial map survey of its system, when the Commission's requirements do not require such an aerial survey. Also, it appears that FPL's cost predictions are based upon costs incurred by other electric utilities in compiling their plant inventories for the Commission's regulatory purposes in prior years. The studies made by these other companies are not comparable because their plant accounts were not kept pursuant to a uniform system of accounts at that time. On the other hand, FPL has been keeping its plant accounts on an original cost basis at least since 1951, and was required to make a complete reclassification of its plant accounts on an original costs basis by the Securities & Exchange Commission as of January 1, 1942. FPL's witness at the hearing admitted that to his knowledge FPL had not contacted any members of this Commission's accounting staff to obtain information concerning the requirements of complying with the Commission's Uniform System of Accounts, and also conceded a lack of knowledge as to whether or not FPL's reclassification studies accepted by the Securities & Exchange Commission in 1942 and the years thereafter would be accepted by the Commission. In this connection, it may be added that FPL apparently gave no weight to the fact that the Commission's auditing procedures are designed to avoid any unnecessary overlapping or duplication of state commission audits, and that joint federal and state audits are encouraged. In light of the foregoing circumstances, we find that the examiner correctly concluded that it would not be burdensome for FPL to conform to the Commission's accounting requirements.

To the extent that FPL seeks exemption from the Commission's accounting requirements because its transmission of energy is predominantly intrastate, we deem it appropriate to restate our language in *The Connecticut Light and Power Company*, 6 FPC 104, 108 (1947), as follows:

"The legislative history of the Act shows, furthermore, that it was anticipated in Congress that the federal accounting requirements would apply to utilities predominantly engaged in local business subject to State regulation. Thus, Representative Cole, explaining the bill in the House on behalf of the House Committee, said (79 Cong. Rec., Part 9, p. 10384):

"A uniform system of accounting is established, and because of the demand therefor and the admission on the part of most everyone that such is advisable, the provisions therefor will very likely be required of companies now subject to State regulation because of a small fraction of their business being under the Federal Commission. We have thought this advisable because it is most necessary to have uniformity in accounting as well as depreciation instead of 48 different methods. This provision will be followed, in my judgment, by the adoption by the State Commission of such uniform method as the Federal Power Commission will prescribe."

Significantly, Congress rejected efforts to amend the Act to exempt utilities regulated by a state commission, and the legislative debates at that time showed