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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

[Docket No. PL93-1-000]

Post-Employment Benefits Other Than Pensions

Statement of Policy

(Issued December 17, 1992)

AGENCY: Federal Energy Regulatory Commission

ACTION: Statement of Commission policy

SUMMARY: This Statement of Policy addresses the Commission's general policy regarding the recovery through rates of the cost of post-employment benefits other than pensions of employees of natural gas companies and public utilities subject to the Commission's jurisdiction, as well as certain accounting issues related thereto. The Statement is premised upon the Statement of Financial Accounting Standards No. 106, Employers Accounting for Post-Retirement Benefits Other Than Pensions (SFAS 106).

The Commission's policy shall be to recognize, as a component of jurisdictional cost-based rates of natural gas pipeline companies and public utilities under its jurisdiction, and oil pipelines should they elect to comply with this statement, allowances for prudently incurred costs of such benefits of company employees when determined on an accrual basis that are consistent with the accounting principles set forth in SFAS 106 provided the following conditions are met: (1) The company must agree to make cash deposits to an irrevocable external trust fund equal to the annual test period allowance for the cost of such benefits; and (2) the company must maximize the

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use of income tax deductions for contributions to the trust fund. If tax deductions are not available for some portion of currently funded amounts, deferred income tax accounting must be followed for the tax effects of such transactions.

The company must file within three years of its adoption of SFAS 106 accounting a general rate change and seek inclusion of these costs in its rate levels. The company may defer the jurisdictional portion of the difference between the costs determined pursuant to accounting principles previously followed and SFAS 106 accruals from the time it adopts SFAS 106 until the company files such general rate case and places such rates into effect. The regulatory asset (or liability) thus created is to be amortized over a period not to exceed twenty years beyond the SFAS 106 adoption date. Amortization of the regulatory asset (or liability) will be eligible for recovery in future rates.

EFFECTIVE DATE: This order is effective December 17, 1992.

FOR FURTHER INFORMATION CONTACT: Harris S. Wood, Office of the General Counsel, Federal Energy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, (202) 208-0696.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the Federal Register, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 3308, 941 North Capitol Street, N.E., Washington, D.C. 20426.

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Martin L. Allday, Chairman;
Charles A. Trabandt, Elizabeth Anne Moler,
Jerry J. Langdon and Branko Terzic.

Post-Employment Benefits) Docket No. PL93-1-000
Other Than Pensions)

STATEMENT OF POLICY

(Issued December 17, 1992)

The Federal Energy Regulatory Commission (Commission) announces a general policy regarding the recovery through rates of the cost of post-employment benefits (other than pensions) (PBOPs) ^{1/} of employees of natural gas pipeline companies and public utilities subject to its jurisdiction, as well as certain accounting issues related thereto. This Statement of Policy is premised upon the Statement of Financial Accounting Standards No. 106, Employers' Accounting for Post-retirement Benefits Other Than Pensions (SFAS 106). The term "PBOPs" is intended to encompass arrangements whereby a jurisdictional company promises to exchange future post-retirement benefits other than pensions for employees' current services.

^{1/} In the Commission's October 21, 1992 Request for Comments in this proceeding, the acronym "OPEB" was used to denote these costs. Contemporaneously with this Statement of Policy, the Commission is issuing an order in Docket No. ER91-565-000, New England Power Company. That order refers to these same costs as post-retirement benefits other than pensions, or "PBOPs." For consistency, the acronym "PBOP" will be used in this Statement instead of "OPEB."

I. Background

In December 1990 the Financial Accounting Standards Board (FASB) ^{2/} issued SFAS 106 which requires that, for fiscal years beginning after December 15, 1992, employers reflect in current expense an accrual for post-retirement benefits other than pensions during the working lives of covered employees. That Statement essentially finds that PBOP plans are deferred compensation arrangements whereby an employer promises to exchange future benefits for employees' current service and that their cost should be recognized over the employees' service periods for financial accounting and reporting purposes. The specifics of the accounting standards for current cost recognition of the benefits and the transition from the previous accounting are set forth in SFAS 106 and are not restated here. However, for regulated industries, SFAS 106 must be read in conjunction with Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation (SFAS 71). SFAS 71 recognizes that actions of rate regulators

^{2/} Since 1973, the FASB has been the designated organization in the private sector for establishing standards of financial accounting and reporting. The mission of the FASB, which is funded by the accounting profession and industry, is to establish and improve standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information. These standards are, in effect, rules governing the preparation of financial reports. They are officially recognized as authoritative by the Securities and Exchange Commission (Accounting Series Release No. 150) and the American Institute of Certified Public Accountants (AICPA) (See Rule 203 and Appendix A of the AICPA's Code of Professional Conduct, as amended May 20, 1991).

have an economic effect on regulated enterprises and requires accounting that may be different than that required to be followed by a non-regulated enterprise if certain criteria are met.

On October 16, 1992, the Interstate Natural Gas Association of America (INGAA) filed a petition for issuance of a policy statement addressing the appropriate rate and accounting treatment of PBOPs. INGAA maintained in its petition that the change in accounting required by SFAS 106 will result in a reduction in income and equity for natural gas pipelines unless the Commission acts expeditiously to remove regulatory uncertainty regarding rate treatment of PBOPs and to allow regulated entities to recover PBOP accruals in rates on a current basis.

On October 21, 1992, the Commission issued a Request for Public Comments generally on the INGAA petition. Public comments were requested by November 12, 1992, and 77 comments were received. 3/ The Commission has reviewed those comments and is issuing this policy statement to address the concerns raised by the commenters.

II. The Policy

It shall be the policy of the Commission to recognize, as a component of jurisdictional cost-based rates of natural gas pipeline companies and public utilities under its jurisdiction, and oil pipelines should they elect to comply with this

3/ See the Appendix for a list of comments received.

statement, allowances for prudently incurred costs of PBOPs of company employees when determined on an accrual basis (and supported by independent actuarial studies) that are consistent with the accounting principles set forth in SFAS 106 provided that the following conditions are met:

(1) The company must agree to make cash deposits to an irrevocable external trust fund, 4/ no less frequently than quarterly, in amounts that are proportional and, on an annual basis equal, to the annual test period allowance for PBOPs. The trust must provide that any disbursements made from the trust are limited to payments for the benefit of employees pursuant to the company's postretirement plans, payments for expenses of the trust, and refunds to customers pursuant to a Commission approved refund plan in the event the funds are not to be paid to employees. The trustee must be independent of the company and authorized to make only those investments which are consistent with sound investment policies for funds of this nature.

(2) The company must agree, when it is consistent with good business practices to do so, to maximize the use of income tax deductions for contributions to funds of this nature. If tax deductions are not available for some portion of currently funded amounts, deferred income tax accounting must be followed for the tax effects of such transactions.

4/ An "external trust fund," or "external funding," used herein means a fund under the direction of a trustee independent of and external to the company. Contrast this with establishing an internal reserve account, or "internal funding."

The jurisdictional company must file within three years of its adoption of SFAS 106 accounting a general rate change under Section 4 of the Natural Gas Act or Section 205 of the Federal Power Act (or in the case of oil pipeline companies which elect to do so, Section 6 of the Interstate Commerce Act), 5/ as appropriate, and seek inclusion of these costs in its rate levels, in order to obtain rate recovery of PBOPs on an accrual basis. The company may defer the jurisdictional portion of the difference between PBOPs determined pursuant to accounting principles previously followed and SFAS 106 accruals from the time it adopts SFAS 106 until the company files such general rate case which includes costs related to SFAS 106 and places such rates into effect. The regulatory asset (or liability) thus created and attributable to its jurisdictional cost-based rates is to be amortized over a period to be determined in the rate proceeding, but in no event to exceed twenty years beyond the SFAS 106 adoption date. Amortization of the regulatory asset (or liability) will be eligible for recovery in future rates.

The purpose of this policy statement is to provide guidance for the efficient disposition of pending or future cases which include PBOPs as a component of the cost of service and to provide a statement of the Commission's intent to permit recovery

5/ Section 6 of the Interstate Commerce Act, 49 App. U.S.C. § 6(3) (1988). Rate authority over oil pipelines was transferred to the Department of Energy from the Interstate Commerce Commission and further transferred to this Commission pursuant to the Department of Energy Organization Act, 42 U.S.C. §§ 7155, 7172(b) (1988).

in future rates of PBOP costs appropriately deferred. The Commission is mindful that a general policy statement is an articulation of the Commission's intention, which will be followed unless particular circumstances demonstrate the policy to be inappropriate. Where, as here, the Commission has adopted a general statement of Commission policy, both the underlying validity of the policy and its application to particular facts may be challenged and are subject to further consideration in individual cases.

III. Discussion

A. General Principles

1. Ratemaking

It is self-evident that where a jurisdictional company's rates are to be judged just and reasonable based upon its cost of providing service, the Commission must prescribe the accounting principles it will use to define and measure the cost to track ratemaking. One of the primary purposes of the Commission's Uniform Systems of Accounts is to assist in this regard. When an authoritative body prescribes changes in accounting principles (or new principles come into being when none existed before) the Commission may examine those principles to see if they are compatible for ratemaking purposes as well. The Commission has examined SFAS 106 in this regard and finds the following:

(a) PBOPs are a form of deferred compensation to employees for the services that they provide during their working years. Therefore, the costs of providing these benefits are properly

included in the cost of service during the period that the benefits are earned.

(b) Measurement of PBOPs for a given rate test period is a process of allocating accrued costs between periods in a rational manner so that each period bears its equitable portion of such costs. SFAS 106 provides a reasonable convention for measurements of accrued costs including the transitional treatment of prior service costs.

(c) Uniform principles of cost measurements between similarly situated regulated companies and between time periods are beneficial for carrying out the Commission's regulatory programs.

(d) Ratepayers can be adequately protected from overly compensating a company for PBOPs by the imposition of a requirement for placing amounts collected for such purposes in an irrevocable trust.

(e) If there are special circumstances for a specific company which dictate that PBOPs should be recovered in rates through use of a different method, a case-specific review will be permitted.

2. Commission Accounting Requirements

The Commission requires in its ratemaking and other regulatory activities that financial information be obtained from statements that are prepared in accordance with the requirements of the Commission's Uniform System of Accounts. The accounting principles embodied in the Uniform System are, in the main,

consistent with generally accepted accounting principles (GAAP) 6/ that apply to non-regulated enterprises. Any differences are due either to the Commission's needs for financial measurements to be accomplished in a specific manner to enable it to meet its regulatory responsibilities or are necessary, in the view of the Commission, to permit recognition of the economic effects that regulation itself imposes on the enterprise. 7/

6/ The phrase "generally accepted accounting principles" is a technical accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations. Statement on Auditing Standards No. 69, a pronouncement of the Auditing Standards Board, the senior technical body of the American Institute of Certified Public Accountants, designates FASB Statements as constituting the highest level in the GAAP hierarchy.

7/ There are basically three types of differences that may occur between GAAP applicable to enterprises in general and Commission accounting requirements. Some of these differences potentially may cause a conflict in financial reporting and some will not. One type relates to optional accounting. GAAP may permit optional accounting for certain types of transactions but for regulatory purposes, the Commission may require a uniform method for all jurisdictional companies (or a more limited number of options). Another type of difference pertains to the definition of cost. Under the Commission's regulatory scheme, return on equity capital is a component of the cost of service and in certain instances the Commission will require such cost to be deferred for later recovery in rates. Equity return is not a cost under GAAP. Further, SFAS 71 specifically restricts allowable deferrals for regulated enterprises to "incurred cost" which excludes equity return. A third type of difference is where a valid regulatory purpose is served by requiring that a particular type of cost is allocated to different time periods for ratemaking purposes than under GAAP.

The instances where the Commission has required the adoption of accounting principles that are outside of GAAP are rare. There may be occasions, however, where a regulatory need overrides the potential harm that may result from having a regulated enterprise present to the public two different financial statements both of which purport to be comprehensive financial statements that report the results of operations. However, by reason of the policy statement that the Commission is issuing today, the Commission's prescribed accounting and ratemaking treatment of PBOPs does not, in the Commission's view, create such a situation.

In the event of special circumstances where the Commission finds it appropriate to use a different method of allocating PBOPs for rate purposes than required by SFAS 106 for accounting purposes, the Commission will require natural gas companies and public utilities subject to its regulation to recognize a regulatory-created asset or liability for the prudently incurred dollar differences between the two methods. Over the life-cycle of a company, the cost of PBOPs is unchanged by the method of accounting. The differences between the cost reported for a particular period within that life-cycle is due only to allocation methods ^{8/} and therefore the cost deferrals will be

^{8/} The ratepayer's cumulative cost in nominal dollar terms through use of different allocation methods may not be the same however, but this is due to factors relating to cash flows, time values of monies and availability of investment earnings, and not to total life-cycle cost. The amount that will ultimately be paid to employees is a finite sum.

eligible for rate recovery in future periods.

3. Funding Requirements

The Commission will require that an irrevocable trust be established to insure that the amounts that the customers are paying for PBOPs will, in fact, be utilized for such purpose, or in the event that they are not, that customers obtain refunds of the funds accrued in the trust account, including any earnings thereon, for the excess amounts paid. The Commission believes that such protection is necessary for several reasons.

There may be long periods between the time that rates reflect the cost of PBOPs and the time that payments are made to employees. During such periods many events could occur that would affect the ultimate payments or the amounts required to make such payments. For instance, there could be major changes in a company's post-retirement plans due to the advent of new governmental programs or for other reasons. Also, there could be significant changes from what was anticipated in the factors that affect annual accruals, such as inflation rates and investment earnings, thereby enabling settlement of post-retirement obligations through alternative means and to realize a gain on plan assets after settlement.

FASB statements permit in certain instances gains realized on settlements and curtailments of post-retirement plans to be taken to income. Recognition of income by the regulated company without a concurrent reduction in rates would not be fair to ratepayers, particularly if any shortfalls in fund assets are to

be made up through increased future rates. That would be the effect of adopting the accounting principles of SFAS 106 for ratemaking purposes. A mandatory requirement to establish an irrevocable trust will prevent the company from realizing income not intended to be earned when the rates were originally established by the Commission. The Commission recognizes that the earning rate for external funding may be lower than the effective earning rate that could be realized from internal funds. However, the Commission believes that fund security is more important than earning rates in this instance and will therefore require external funding.

4. Income Taxes

As a general statement, companies can expect to realize tax deductions for pension plans when they make contributions to qualified funds. ^{9/} Therefore, ratepayers receive the benefit of the tax deductions at the time that they pay for service. This may not always be the case with PBOPs. There are some tax effective vehicles ^{10/} available as funding arrangements for PBOPs, but they may not be sufficient to obtain current tax deductions equal to the total required contribution to the trust when the contributions are determined on an accrual basis. The tax deductions in such cases will not be allowed until a later period, perhaps until the payments are made to retired employees.

^{9/} I.e., qualified for special tax treatment under the Internal Revenue Code.

^{10/} I.e., tax deductible funding arrangements.

In such instance, companies should follow deferred tax accounting for the portion that is not tax advantaged. The resulting accumulated deferred tax balance will be eligible for inclusion in the jurisdictional rate base of the company until such time as the timing difference reverses.

B. Issues Raised in Comments Received

Persons representing all segments of the natural gas, electric and oil pipeline industries; state commissions and public power authorities; consumers and users of oil, electricity and gas; and public accounting firms and rate consultants responded to the Commission's Request for Comments in this proceeding. The Commission has considered these comments and discusses the major issues raised below.

1. Applicability to Oil Pipelines

The Association of Oil Pipelines has requested that any statement of general policy adopted by the Commission respecting SFAS 106 costs exclude oil pipelines from its coverage. The Commission is mindful of the differences between most oil pipelines and natural gas pipelines under its jurisdiction. While, as contemplated by this statement of policy, rate recovery will be limited only to those companies which file a general rate increase applicable to cost-based rates (absent a special exception being granted), and then only to the extent that such company seeks to include such costs in rates, the Commission believes that the differences between oil pipeline companies and other regulated entities justify a departure from the

Commission's general policy. Therefore, recovery of PBOP costs by oil pipelines will be considered on a case-by-case basis. 11/ Of course, to the extent that oil pipelines desire to comport with the policy enunciated here, they may do so.

2. Accrual or Pay-As-You-Go Rate Treatment

Some commenters 12/ state that a change in the method of accounting for PBOPs does not require or justify a change in the rate treatment of such expense. They argue that FASB recognizes in paragraph 364 of SFAS 106 that, pursuant to SFAS 71, regulators may choose not to change the treatment of post-retirement benefits for ratemaking purposes. Paragraph 364 would then require the utility to adopt an accounting treatment consistent with the regulatory treatment. They assert that the Commission could continue to use the pay-as-you-go rate method, and that the regulated company would record a regulatory asset for the difference between the accounting expense and the ratemaking allowance. Creation of the regulatory asset would, they argue, assure eventual recovery in rates. They state that, under this scenario, continuation of the pay-as-you-go policy would have no adverse effect on earnings and equity of the regulated companies.

The Commission chooses to adopt the accrual method in this

11/ This exclusion of oil pipelines from this policy statement applies only to rate recovery as articulated herein. Oil pipelines must still comply, as appropriate, with SFAS 106.

12/ Joint Consumer Advocates, The Industrial Groups, Electricity Consumer Resource Council.

Statement of Policy because the accrual method better matches cost recovery in rates with the cost of providing service than does the pay-as-you-go method. The fact that all post-retirement benefits are earned by employees during their working careers, not after they retire, is undisputed. Therefore, the Commission will adopt as its policy the accrual method for rate purposes.

3. Establishment of a Funding Mechanism

Most, if not all, jurisdictional companies urged that the Commission issue a policy statement similar to that requested by INGAA, with some variations, most notably in the funding of PBOP liability. Those entities opposed to the issuance of the policy statement nonetheless asked that any funding of such liabilities be accomplished through the vehicle of an external irrevocable trust. ^{13/} Many public utilities and some gas pipelines sought no restrictions on the manner in which funding would occur, citing alleged cost benefits from flexibility in the funding of the liabilities.

The Commission is persuaded that regulated entities should be required to set up an irrevocable trust into which the amounts included in rates attributable to PBOPs will be placed for the benefit of employees who retire in the future. ^{14/}

^{13/} See fn. 4, supra.

^{14/} Fina Natural Gas Company alleges that the accrual method of treating PBOP expense for rate purposes places utilities in an excess cash flow position. Since the Commission is requiring companies to contribute the amount included in rates for PBOP to an external trust, there will be no excess cash flow.

Disbursements from the trust must be limited to payments for the benefit of employees pursuant to the company's post-retirement plans, payments for expenses of the trust and refunds to customers pursuant to a Commission-approved refund plan in the event the funds are not to be paid to employees. ^{15/} In this way, customers can be assured that the element of rates which are designed for PBOP costs are in fact utilized for that purpose. Further, the Commission requires that the trustee be independent of the company and authorized to make only those investments which are consistent with sound investment policies for funds of this nature. ^{16/}

4. Limited Rate Filings

INGAA requested that the Commission specifically allow a special Natural Gas Act Section 4 rate filing limited to reflect the SFAS 106 costs in rates coincident with the company's

- ^{15/} There are costs involved in start-up as well as maintaining irrevocable trusts. There are no data in this record upon which the Commission can base a determination that such costs are excessive. If the company believes that such costs are prohibitively high, it may request a waiver of this external funding requirement.
- ^{16/} Some regulated entities already have converted to the accrual method and have used internal funding for a portion of PBOPs. Other regulated entities are currently funding PBOPs in compliance with slightly different requirements imposed by state commissions. Amounts collected prior to issuance of this policy statement and already "booked" will be subject to review by the Commission to determine whether additional conditions should be placed on the existing funding mechanisms before recovery in rates will be allowed. Where it can be demonstrated that it will not be cost effective and that it will cause an undue administrative burden to create a separate funding mechanism, specific waivers of external funding as required by this policy statement will be considered on a case-by-case basis.

adoption of SFAS 106. Most gas pipeline companies supported this request, but some electric utilities and customer groups opposed. Opponents argue that all parties and the Commission should be allowed to examine the companies' cost of service for offsetting decreases in costs which may exist. Upon consideration, the Commission believes that it is not necessary to prescribe in this policy statement a rate change methodology based solely on this item. The Commission believes its action in allowing deferrals will permit companies to file general rate increases for rate recovery of PBOPs without incurring financial penalties. Of course, if the item is of a magnitude to require a change in rates, a company may request consideration of a stand-alone PBOP rate filing and such a request will be considered on a case-by-case basis. Moreover, the Commission anticipates that due to Order No. 636 pipelines will be filing new rate cases or will have ongoing rate cases where rate issues that flow from restructuring are being considered. The Commission will consolidate any stand-alone rate filing with these ongoing cases.

5. Transition Period Costs

Several commenters ^{17/} in opposition to the issuance of a policy statement have claimed that to allow regulated companies to recover costs for PBOPs on an accrual basis attributable to benefits already earned but not paid would violate the "filed

^{17/} Joint Consumer Advocates, National Association of Gas Consumers, Iowa Consumer Advocate, Old Dominion Electric Cooperative.

rate" doctrine and constitute retroactive ratemaking. The Commission rejects this argument. Under the historical pay-as-you-go, or cash, method, the only PBOP costs recovered in rates are costs for retired employees and their beneficiaries when actually paid. Because use of the cash method for ratemaking only permits recovery of PBOP costs as paid, the PBOP costs related to benefits which had been earned by employees but not yet expensed were deferred. Those PBOPs earned in a prior period which were not immediately recovered in rates, because there had been no recognized expense under GAAP or the Commission's accounting or ratemaking requirements, were deferred under the legitimate expectation that such costs would be allowed in rates in future periods. Companies are now required to recognize this expense during the working life of employees, well in advance of the payment of PBOPs. Recovery of prior period PBOP costs under the cash method or under the accrual method does not violate the filed rate doctrine. There simply is a different timing of recovery under the different methods.

6. Tax Normalization vs. Immediate Recovery

A number of commenters have argued that tax normalization of non-deductible amounts funded for PBOPs will result in a cash drain to regulated companies in that the companies would need to use internally generated funds to finance the increased income tax cost. Others argue that the Commission should allow only income tax normalization.

Under the Internal Revenue Code, regulated companies may be

able to deduct only a portion of the amount which they are required to fund for PBOPs. Regulated companies will have taxable income from the collection of PBOP accruals in their rates for that portion funded into the trust that is not deductible. There are two alternatives for dealing with this resulting tax liability. The first alternative is to provide a specific tax allowance in the company's cost of service to reimburse the company for the income tax expense. The second alternative is to require companies to use tax normalization, which would result in the income tax liability being included in rate base until a valid tax deduction is available.

PBOP accruals reflected in rates will be constant between rate cases; however, the taxable portion of the PBOP accruals will change from year to year depending on the level which can be tax effectively funded. Because of the constant change it is difficult to determine the appropriate level of income tax allowance to include in cost of service if the Commission employed the first alternative. With the second alternative, however, whatever income tax effect is incurred by the company is accumulated and included in rate base. Further, income tax effects of PBOP accruals included in rates are due to a book-tax timing difference. All similar timing differences are normalized as required by Commission Order No. 144, FERC Statutes and Regulations, ¶ 30,254 (1981). The Commission is not persuaded that it should deviate from this policy. Therefore, regulated companies will be required to utilize the second alternative and

normalize the differences related to non-deductibility of PBOP accruals funded.

7. Other Issues

Some commenters 18/ have also objected to issuance of a Statement of Policy respecting the proper regulatory rate treatment of SFAS 106 requirements, claiming that there may be factual differences which would require another method of treatment of these costs. As previously stated herein, the purpose of this policy statement is to provide guidance for the efficient disposition of existing and future cases which include PBOPs as a component of cost of service and to indicate the Commission's intent to permit recovery in future rates of PBOP cost appropriately deferred. In individual cases, the application of the policy to particular facts may be challenged upon demonstration that particular circumstances dictate a different treatment.

IV. Conclusion

The Commission, in adopting this Statement of Policy, is providing for a fair method of cost recovery for regulated companies and consumers alike. Adding a measure of certainty to the ratemaking methodology is to the benefit of all. Therefore, this Statement of Policy shall be effective immediately for all

18/ Blue Ridge Power Agency, et al., Electric Consumers.

natural gas pipeline companies and public utilities under the jurisdiction of this Commission for fiscal years beginning after December 15, 1992.

By the Commission. Commissioner Trabandt concurred with a
a separate statement attached.
(S E A L)

Lois D. Cashell

Lois D. Cashell,
Secretary.

APPENDIX

Post-Employment Benefits Other Than Pensions

Docket No. PL93-1-000

Comments Received

Alabama PSC

Allegheny Power Systems, Inc.

American Electric Power Companies

American Gas Association

American Institute of Certified Public Accountants

American Public Power Association

ANR Pipeline Company, et al.

Arizona Public Service Company

Arthur Andersen

Association of Oil Pipelines

Blue Ridge Pwr. Agcy., City of Danville, VA

Central Power & Light Company

Central and South West Service, Inc., et al.

CNG Transmission Corporation

Commonwealth Edison Company

Columbia Gas Transmission Company, et al.

Consumers Power Company, et al.

Coopers & Lybrand

Deloitte & Touche

Delmarva Power & Light Company

Detroit Edison Company

Duke Power Company

Edison Electric Institute

**Electric Consumers (consisting of Electric Co-operatives and
Municipal Utilities)**

Electricity Consumers Resource Council

El Paso Electric Company, et al.

El Paso Natural Gas Company

ENRON Interstate Pipeline Companies

Entergy Corp.

Fina Natural Gas Company

Florida Municipal Power Agency, et al.

Florida Power & Light Company

Great Lakes Gas Transmission, LP

Gulf States Utilities Company

Idaho Power Company

Indiana Gas Company, et al.
The Industrial Groups (Process Gas Consumers Group, American
Iron & Steel Inst., Georgia Industrial Group)
Interstate Natural Gas Association of America
Iowa Office of Consumer Advocate

Joint Consumer Advocates (numerous state consumer agencies)

Kentucky Utilities Company
K N Energy, Inc.
KPMG Peat Marwick

Minnesota Power & Light Company

National Association of Gas Consumers
National Fuel Gas Company
Natural Gas Pipeline Company of America
Natural Gas Supply Association
New England Power Company
New York PSC
New York Public Power Authority
Northern Illinois Gas Company
Northern States Power Company
Northwest Pipeline Corporation

Ohio Edison Company
Old Dominion Electric Cooperative

Pacific Gas Transmission Company
Pacific Interstate Company
Panhandle Eastern Pipeline Company, et al.
Pennsylvania Power Company
Peoples Gas, Light & Coke Company, et al.
Potomac Electric Power Company
Price Waterhouse

Questar Pipeline Company

Southern California Gas Company
Southern Company Services, Inc.
Southern Natural Gas Company
Southwestern Public Service Company

Tampa Electric Company
Texas Utilities Electric Company

UtiliCorp United, Inc.

Virginia Electric & Power Company

Williams Natural Gas Company

Williston Basin Interstate Pipeline Company

Wisconsin Utilities Association, Inc.

Wisconsin Wholesale Customers

Zinder Companies, Inc.