

**PROJECT NO. 25716**

<b>RULEMAKING PROCEEDING TO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>REVISE PUC SUBSTANTIVE RULE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>§25.72, UNIFORM SYSTEM OF</b>	<b>§</b>	
<b>ACCOUNTS</b>	<b>§</b>	
	<b>§</b>	

**(STAFF RECOMMENDATION)**  
**ORDER ADOPTING AMENDMENTS TO §25.72, UNIFORM SYSTEM OF**  
**ACCOUNTS, AS APPROVED AT THE JULY 25, 2002 OPEN MEETING**

1 The Public Utility Commission of Texas (commission) adopts an amendment to §25.72,  
2 Uniform System of Accounts, with no changes to the text as published in the May 17, 2002  
3 *Texas Register* (27 TexReg 4301). This amendment reinserts text inadvertently omitted from  
4 subsection (g) of this section during the reorganization and renumbering of commission  
5 Substantive Rules from Chapter 23 to Chapter 25 and reflects the commission's general policy  
6 and intent towards capitalization of construction work in progress. This amendment is adopted  
7 under Project Number 25716.

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9 The commission received no written comments on the proposed amendment.

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11 This amendment is adopted under the Public Utility Regulatory Act, Texas Utilities Code  
12 Annotated §14.002 (Vernon 1998, Supplement 2001) (PURA), which provides the Public  
13 Utility Commission with the authority to make and enforce rules reasonably required in the  
14 exercise of its powers and jurisdiction; and specifically §14.003 that permits the commission to  
15 require certain reports from utilities.

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2 Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 14.003 and 36.054.

1 §25.72. Uniform System of Accounts.

2 (a) - (f) (No change.)

3 (g) **Rules related to capitalization of construction costs.** Each electric utility and  
4 electric cooperative shall accrue allowance for funds used during construction on  
5 construction work in progress to the extent not included in rate base. In the event  
6 construction work in progress is included in rate base pursuant to the rules in  
7 §25.231(c)(2)(D) of this title (relating to Cost of Service), capitalization of allowance  
8 for funds used during construction for electric utilities and electric cooperatives shall be  
9 discontinued to the extent construction work in progress is included.

1 This agency hereby certifies that the rule, as adopted, has been reviewed by legal counsel and  
2 found to be within the agency's authority to adopt. It is therefore ordered by the Public Utility  
3 Commission of Texas that §25.72, Uniform System of Accounts, is hereby adopted with no  
4 changes to the text as proposed.

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6 **ISSUED IN AUSTIN, TEXAS ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2002**

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**PUBLIC UTILITY COMMISSION OF TEXAS**

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**Chairman Rebecca Klein**

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**Commissioner Brett A. Perlman**

