responsibility for repayment through a cash-out provision, similar accounting would be followed. However, a gain or loss may be realized under either settlement method selected. The gain or loss could result from either the book amount for the account receivable (Account 174, Miscellaneous Current and Accrued Assets) being different than the cash-out settlement or the price paid for the replacement volumes being different than the price used to establish the owed to system gas account or both.

If the pipeline's tariff provides that gains and losses on such transactions are to be passed along to customers in future periods, the gain or loss should be included in either Account 182.3, Other Regulatory Assets or Account 254, Other Regulatory Liabilities, with contra entries to Account 407.3, Regulatory Debits, or Account 407.4, Regulatory Credits, as appropriate. If the gain or loss on settlement of the imbalance receivable or payable is not to be passed along to customers, Account 495, Other Gas Revenues, or Account 813, Other Gas Supply Expenses, as appropriate, should be used to record the gain or loss.

B. Other Revisions to Uniform System of Accounts

1. Revenues

At present, a pipeline includes in Account 489, Revenues from transportation of gas of others, ''revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compression stations of the utility.'' Service charges for the storage of gas of others is included in Account 495, Other gas revenues, (See Item No. 5 of Account 495). The Commission proposes to delete Account 489 (Revenues from transportation of gas of others) in its entirety and Item No. 5 of Account 495 (Service charges for storing gas for others) and replace them with four new accounts. Those are: Account 489.1 in which the pipeline would include revenues from transportation of gas through gathering facilities; Account 489.2 in which the pipeline would include revenues from transportation of gas through transmission facilities; Account 489.3 in which the pipeline would include revenues from transportation of gas through distribution facilities; and Account 489.4 in which the pipeline would include revenues from storing gas of others. In addition, the Commission proposes to add a new item to the list of items in Account 495. This is item 8, ''Gains on settlements of imbalance receivables (See Account 806).''

The Commission is proposing the above changes in order to appropriately record revenues from unbundled services.

2. Gas Supply Expenses

The Commission proposes to revise Account 806, Exchange gas, so that it will include debits or credits for the cost of gas in unbalanced transactions and not just unbalanced exchange transactions. Such unbalanced transactions would be those whereby gas is delivered to another party in exchange, load balancing, or no-notice transportation transactions. In addition, the Commission proposes to revise the instructions in paragraph B concerning the recording of revenue, gain, expense, or loss in connection with the performance of exchange services and to revise paragraph C with respect to the maintenance of records so that there would be readily available for each party entering gas exchange, load balancing, or no-notice transportation transactions by point of receipt and delivery, the quantity of gas delivered and received, the amount of consideration if other than gas, and the basis for the consideration. The Commission also proposes to revise Account 813, Other gas supply expenses, so that it will include losses on settlements of imbalance receivables.

3. Major/Nonmajor Accounts

The Commission is proposing to eliminate all Nonmajor accounts in the Uniform System of Accounts and to require all natural gas companies to use the same accounts. The Commission is, thus, also proposing that the Major accounts be changed to eliminate their application to Major natural gas companies only and to revise the instructions, notes and items accordingly. In addition, as discussed below, the Commission is proposing to revise Form No. 2–A to require Nonmajor respondents to file certain Form No. 2 pages as their Form No. 2–A report. The Commission is also proposing to revise part 158 of the regulations to delete the references to major and nonmajor in sections 158.10 and 158.11. In addition, the Commission proposes to further amend section 158.10(a) so that it applies to all examinations of accounts without limitation and requires independent licensed public accountants to be licensed on or before December 30, 1970 as is the case in current section 158.10(b) and to delete present section 158.10(b). Further, the Commission proposes to revise section 158.11 to require the filing of the independent accountant's letter or report of certification with the original and each copy of the Form No. 2 or Form No. 2–A. Last, the Commission proposes to revise section 158.12 by removing the words, ''The Commission will not recognize any certified public accountant or public accountant through December 31, 1975, who is not in fact independent. Beginning January 1, 1976, and each year thereafter, the'' and adding in their place, the word ''The''.

4. Mcf to Dth

At present, the Uniform System of Accounts requires reporting volumes by Mcf. The Commission proposes to amend the Uniform System of Accounts where applicable to measure gas by dekatherms rather than by Mcf to reflect the current measurement of gas by heat content rather than by volume.

IV. Part 250

Part 250 of the Commission's regulations specifies the use of certain forms for accomplishing specific actions. The most significant change proposed in Part 250 is the removal of section 250.16 (Format of compliance plan for transportation services and affiliate transactions) of the transportation discount information that a pipeline transporting gas under subparts B or G of Part 284 and conducting discounted transportation transactions with a marketing or brokering affiliate must maintain for each billing period. As more fully explained under the discussion in this NOPR regarding the changes proposed for Part 284, infra, the discount reporting requirements under section 250.16(d) are somewhat duplicative of the discount reports required under section 284.7(d)(5)(iv). Therefore, the Commission is proposing in this NOPR various modifications to section 284.7(d)(5)(iv) (proposed section 284.7(c)(6)) that will make the discount reporting information under section 250.16(d) unnecessary. Accordingly, the Commission proposes to delete section 250.16(d).

The other proposed changes to Part 250 are essentially intended to simplify, update, or eliminate these forms to reflect current regulatory practice, and to eliminate the forms related to the regulation of producers and gatherers, since the wellhead gas market has been finally deregulated and such forms are required by regulations that have been removed in Parts 154 and 157.

Section 250.2 sets forth the forms required under section 154.64 (proposed section 154.602) for notification to the