

FEDERAL COMMUNICATIONS COMMISSION

[DA 96-556]

Citizens Utilities Company Permanent Cost Allocation Manual for the Separation of Regulated and Nonregulated Costs

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: This Memorandum Opinion and Order ("MO&O") addresses the accounting treatment for nonregulated uncollectible revenue and the treatment of affiliate transactions involving nonregulated activities. The MO&O states that the Commission's rules preclude the netting of uncollectibles related to nonregulated activities in Account 5280, Nonregulated operating revenue. The MO&O requires carriers to include all nonregulated uncollectible revenue in Accounts 5301, Uncollectible revenue-telecommunications, and 5302, Uncollectible revenue-other. The MO&O allows subject carriers six months from the publication of this notice to comply with its accounting directive.

DATES: Compliance must be on or before October 28, 1996.

FOR FURTHER INFORMATION CONTACT: Alicia Dunnigan, Common Carrier Bureau, Accounting and Audits Division, (202) 418-0807.

SUPPLEMENTARY INFORMATION: This is the synopsis of the MO&O in AAD 94-6, adopted April 8, 1996, and released April 22, 1996.

The complete text of the MO&O is available for inspection and copying in the Accounting and Audits Division public reference room, 2000 L Street N.W., Suite 812, Washington, D.C.

Copies are also available from International Transcription Service, Inc., at 2100 M Street NW., Suite 140, Washington, D.C. 20037, or call (202) 857-3800.

The MO&O addresses issues raised by the parties in their petitions for reconsideration of a December 27, 1994, order approving the cost allocation manual of Citizens Utilities Company.

The parties requested reconsideration of the requirement that uncollectible revenue associated with nonregulated activities be recorded in the uncollectible revenue accounts instead of the nonregulated revenue account. The MO&O, states that Sections 32.5301 and 32.5302 of the Commission's rules precludes carriers from netting nonregulated uncollectibles in Account 5280. The MO&O requires carriers that

have previously been netting uncollectible nonregulated revenue in Account 5280 to comply with the Commission's rules within six months.

The parties requested reconsideration of the statement that the terms of affiliate transactions in which the telephone company provides nonregulated services to its affiliated companies must comply with the Commission's affiliate transactions rules. The MO&O states that when a nonregulated activity is accounted for within the system prescribed in Part 32 of the Commission's rules, pursuant to Section 32.23(c), the transactions between the carrier performing that nonregulated activity and a nonregulated affiliate are subject to the affiliate transactions rules of Section 32.27.

Accordingly, *it is ordered*, pursuant to Sections 1, 4(i), 4(j), and 220 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), and 220, and Section 553(b)(A) of the Administrative Procedures Act, 5 U.S.C. § 553(b)(A),¹ and Sections 0.91, 0.291, and 1.106 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.106, that the Petitions for Reconsideration filed by Southwestern Bell Telephone Company, BellSouth Telecommunications, Inc., and the United States Telephone Association are granted to the extent indicated in this Order and are otherwise denied.

Federal Communications Commission.

Regina M. Keeney,

Chief, Common Carrier Bureau.

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FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate

inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act, including whether the acquisition of the nonbanking company can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, conflicts or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 23, 1996.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *Community Bankshares Incorporated*, Petersburg, Virginia; to acquire 100 percent of the voting shares of Commerce Bank of Virginia, Richmond, Virginia.

B. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. *Goodenow Bancorporation*, Okoboji, Iowa; to merge with Jackson Bancorporation, Inc., Fairmont, Minnesota, and thereby indirectly acquire Bank Midwest Minnesota, Iowa, N.A., Fairmont, Iowa.

2. *Stichting Prioriteit ABN AMRO Holding*, Amsterdam, The Netherlands; *Stichting Administratiekantoor ABN AMRO Holding*, Amsterdam, The Netherlands; *ABN AMRO Holding N.V.*, Amsterdam, The Netherlands; *ABN AMRO Bank N.V.*, Amsterdam, The Netherlands; and *ABN AMRO North America, Inc.*, Chicago, Illinois; to

¹ Section 553(b)(A) allows an agency to interpret its rules without notice and comment.