

Interpretive Response: No. Registrants must follow generally accepted accounting principles in determining whether the recognition of compensation expense for any issuances of equity instruments to employees is necessary.⁴ Reflecting nominal issuances as outstanding for all historical periods in the computation of earnings per share does not alter that existing responsibility under GAAP.

TOPIC 6: INTERPRETATIONS OF ACCOUNTING SERIES RELEASES

* * * * *

B. Accounting Series Release No. 280—General Revision of Regulation S-X

1. INCOME OR LOSS APPLICABLE TO COMMON STOCK

Facts: A registrant has various classes of preferred stock. Dividends on those preferred stocks and accretions of their carrying amounts cause income applicable to common stock to be less than reported net income.

Question: In ASR No. 280, the Commission stated that although it had determined not to mandate presentation of income or loss applicable to common stock in all cases, it believes that disclosure of that amount is of value in certain situations. In what situations should the amount be reported, where should it be reported, and how should it be computed?

Interpretive Response: Income or loss applicable to common stock should be reported on the face of the income statement¹ when it is materially different in quantitative terms from reported net income or loss² or when it is indicative of significant trends or other qualitative considerations. The amount to be reported should be computed for each period as net income or loss less: (a) dividends on preferred

stock, including undeclared or unpaid dividends if cumulative; and (b) periodic increases in the carrying amounts of instruments reported as redeemable preferred stock (as discussed in Topic 3.C) or increasing rate preferred stock (as discussed in Topic 5.Q).

TOPIC 6: INTERPRETATION OF ACCOUNTING SERIES RELEASES

* * * * *

G. ACCOUNTING SERIES RELEASE Nos. 177 and 286—Relating to Amendments to Form 10-Q, Regulation S-K, and Regulation S-X Regarding Interim Financial Reporting

* * * * *

1. SELECTED QUARTERLY FINANCIAL DATA (ITEM 302(a) OF REGULATION S-K)

* * * * *

a. Disclosure of Selected Quarterly Financial Data

* * * * *

Question 4: What is meant by “per-share data based upon such income” as used in Item 302(a)(1)?

Interpretive Response: Item 302(a)(1) only requires disclosure of per share amounts for income before extraordinary items and cumulative effect of a change in accounting. It is expected that when per share data is calculated for each full quarter based upon such income, the per share amounts would be both basic and diluted. Although it is not required by the rule, there are many instances where it would be desirable to disclose other per share figures such as net earnings per share and the per share effect of extraordinary items also. Where such disclosure is made, per share data should be both basic and diluted.

[FR Doc. 98-3121 Filed 2-6-98; 8:45 am]

BILLING CODE 8010-01-P

⁴ As prescribed by Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*, and Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation*, and related interpretations.

¹ If a registrant elects to follow the encouraged disclosure discussed in paragraph 23 of Statement of Financial Accounting Standards No. 130, *Reporting Comprehensive Income*, and displays the components of other comprehensive income and the total for comprehensive income using a one-statement approach, the registrant must continue to follow the guidance set forth in Topic 6.B.1. One approach may be to provide a separate reconciliation of net income to income available to common stock below comprehensive income reported on a statement of income and comprehensive income.

² The assessment of materiality is the responsibility of each registrant. However, absent concerns about trends or other qualitative considerations, the staff generally will not insist on the reporting of income or loss applicable to common stock if the amount differs from net income or loss by less than ten percent.

project cost and annual limits specified in Table I of § 157.208(d) and Table II of § 157.215(a) for each calendar year.

EFFECTIVE DATE: January 1, 1998.

FOR FURTHER INFORMATION CONTACT:

Michael J. McGehee, Division of Pipeline Certificates, OPR (202) 208-2257.

Publication of Project Cost Limits Under Blanket Certificates; Order of The Director, OPR

Section 157.208(d) of the Commission's Regulations provides for project cost limits applicable to construction, acquisition, operation and miscellaneous rearrangement of facilities (Table I) authorized under the blanket certificate procedure (Order No. 234, 19 FERC ¶ 61,216). Section 157.215(a) specifies the calendar year dollar limit which may be expended on underground storage testing and development (Table II) authorized under the blanket certificate. Section 157.208(d) requires that the “limits specified in Tables I and II shall be adjusted each calendar year to reflect the ‘GNP implicit price deflator’ published by the Department of Commerce for the previous calendar year.”

Pursuant to § 375.307(e)(1) of the Commission's Regulations, the authority for the publication of such cost limits, as adjusted for inflation, is delegated to the Director of the Office of Pipeline Regulation. The cost limits for calendar year 1998, as published in Table I of § 157.208(d) and Table II of § 157.215(a), are hereby issued.

Note that these inflation adjustments are based on the Gross Domestic Product (GDP) Implicit Price Deflator, rather than the Gross National Product (GNP) Implicit Price Deflator which is not yet available for 1997. The Commerce Department advises that in recent years the annual change has been virtually the same for both indices. Further adjustments will be made, if necessary.

List of Subjects in 18 CFR Part 157

Natural gas.

Kevin P. Madden,

Director Office of Pipeline Regulation.

Accordingly, 18 CFR Part 157 is amended as follows:

PART 157—[AMENDED]

1. The authority citation for Part 157 continues to read as follows:

Authority: 15 U.S.C. 717-717w, 3301-3432; 42 U.S.C. 7101-7352.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 157

[Docket No. RM81-19-000]

Project Cost and Annual Limits

Issued February 3, 1998.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule.

SUMMARY: Pursuant to the authority delegated by 18 CFR 375.307(e)(1), the Director of the Office of Pipeline Regulation computes and publishes the

§ 157.208 [Amended]

2. Table I in § 157.208(d) is revised to read as follows:

TABLE I

Year	Limit	
	Auto. Project cost limit (column 1)	Prior notice project cost limit (column 2)
1982	\$4,200,000	12,000,000
1983	4,500,000	12,800,000
1984	4,700,000	13,300,000
1985	4,900,000	13,800,000
1986	5,100,000	14,300,000
1987	5,200,000	14,700,000
1988	5,400,000	15,100,000
1989	5,600,000	15,600,000
1990	5,800,000	16,000,000
1991	6,000,000	16,700,000
1992	6,200,000	17,300,000
1993	6,400,000	17,700,000
1994	6,600,000	18,100,000
1995	6,700,000	18,400,000
1996	6,900,000	18,800,000
1997	7,000,000	19,200,000
1998	7,100,000	19,600,000

§ 157.215 [Amended]

3. Table II in § 157.215(a) is revised to read as follows:

TABLE II

Year	Limit
1982	2,700,000
1983	2,900,000
1984	3,000,000
1985	3,100,000
1986	3,200,000
1987	3,300,000
1988	3,400,000
1989	3,500,000
1990	3,600,000
1991	3,800,000
1992	3,900,000
1993	4,000,000
1994	4,100,000
1995	4,200,000
1996	4,300,000
1997	4,400,000
1998	4,500,000

[FR Doc. 98-3151 Filed 2-6-98; 8:45 am]

BILLING CODE 6717-01-M

DELAWARE RIVER BASIN COMMISSION**18 CFR Part 430****Protection Area Permits for New Withdrawals; Amendments to the Delaware River Basin Commission's Ground Water Protected Area Regulations for Southeastern Pennsylvania**

AGENCY: Delaware River Basin Commission.

ACTION: Final rule.

SUMMARY: At its January 28, 1998 business meeting, the Delaware River Basin Commission amended its Ground Water Protected Area Regulations for Southeastern Pennsylvania by the establishment of numerical withdrawal limits for subbasins in the Protected Area.

EFFECTIVE DATE: January 28, 1998.

ADDRESSES: Copies of the Commission's Ground Water Protected Area Regulations for Southeastern Pennsylvania are available from the Delaware River Basin Commission, P.O. Box 7360, West Trenton, New Jersey 08628.

FOR FURTHER INFORMATION CONTACT: Susan M. Weisman, Commission Secretary, Delaware River Basin Commission, (609) 883-9500 ext. 203.

SUPPLEMENTARY INFORMATION: On June 24, 1997 the Commission held a public hearing on proposed amendments to its Ground Water Protected Area Regulations for Southeastern Pennsylvania as noticed in the **Federal Register**, Vol. 62, No. 90, page 25569, May 9, 1997 and Vol. 62, No. 117, page 33058, June 18, 1997. The Commission has considered the extensive testimony and comments from interested parties and has revised the proposed amendments in response to those comments. A "Response Document on Proposed Amendments to the Southeastern Pennsylvania Ground Water Protected Area Regulations" is available upon request to Ms. Weisman at the number provided above.

List of Subjects in 18 CFR Part 430

Water supply.

18 CFR Part 430 is amended as follows:

PART 430—GROUND WATER PROTECTION AREA: PENNSYLVANIA

1. The authority citation for Part 430 continues to read as follows:

Authority: Pub. L. 87-328 (75 Stat. 688).

2. Section 430.13 is amended by adding new paragraphs (h) through (m), to read as follows:

§ 430.13 Protected area permits for new withdrawals.

* * * * *

(h) Dockets and protected area permits may be issued for a duration of up to ten years and shall specify the maximum total withdrawals that must not be exceeded during any consecutive 30-day period. Such maximum total withdrawals shall be based on demands projected to occur during the duration of the docket or protected area permit.

(i) Ground water withdrawal limits shall be defined for subbasins in accordance with the provisions of (i)(1) or (2) of this section. The limits for specific subbasins are set forth in (i)(3) of this section.

(1) Baseflow frequency analyses shall be conducted for all subbasins in the Southeastern Pennsylvania Ground Water Protected Area. The analyses shall determine the 1-year-in-25 average annual baseflow rate. The 1-year-in-25 average annual baseflow rate shall serve as the maximum withdrawal limit for net annual ground water withdrawals for subbasins. If net annual ground water withdrawals exceed 75 percent of this rate for a subbasin, such a subbasin shall be deemed "potentially stressed." The Commission shall maintain a current list of net annual ground water withdrawals for all subbasins. "Net" annual ground water withdrawals includes total ground water withdrawals less total water returned to the ground water system of the same subbasin.

(2) Upon application by the appropriate governmental body or bodies, the withdrawal limits criteria set forth in (i)(1) of this section may be revised by the Commission to provide additional protection for any subbasin identified in (i)(3) of this section with streams or stream segments designated by the Commonwealth of Pennsylvania as either "high quality," or "exceptional value," or "wild," or "scenic," or "pastoral," or to correspond with more stringent requirements in integrated resource plans adopted and implemented by all municipalities within a subbasin identified in (i)(3) of this section. Integrated resource plans shall be developed according to sound principles of hydrology. Such plans shall at a minimum assess water resources and existing uses of water; estimate future water demands and resource requirements; evaluate supply-side and demand-side alternatives to meet water withdrawal needs; assess options for wastewater discharge to subsurface formations and streams;