

**Uniform System Of Accounts
For
Electric Companies**

Prescribed By The
**DEPARTMENT OF PUBLIC UTILITIES
OF
MASSACHUSETTS**



**REVISED EDITION
EFFECTIVE JANUARY 1, 1961**

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 4240-A

September 7, 1960

Investigation by the Department upon its own motion as to the advisability of revising and republishing its Uniform System of Accounts for Gas and Electric Companies and Municipal Lighting Plants.

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The Department has had under investigation a proposed revision and republication of its Uniform System of Accounts for gas companies, electric companies and municipal lighting plants pursuant to authority vested in the Department by Chapter 164, sections 63 and 81 of the General Laws. The last major revisions for these Systems of Accounts occurred in 1941. Since then there have been many new developments in the gas and electric industries, the latest being nuclear power production. In addition, the Department is of the opinion that there is a need for modernizing its present system of accounts by providing, among other things, additional balance sheet accounts. These revisions prescribed herein will provide the Department with better accounting information as to the operation of gas and electric companies and municipal lighting plants. The revised Systems of Accounts were proposed with these developments and objectives in mind. The National Association of Railroad and Utilities Commissioners in 1958 recommended a revised Uniform System of Accounts and the Federal Power Commission has adopted a revised Uniform System of Accounts to be effective as of January 1, 1961. Our proposed revised System is consistent with those revised Systems except for such modification required by Massachusetts law and the rules and regulations of the Department.

A copy of the applicable proposed Uniform System of Accounts was sent to each gas company, electric company and municipal lighting plant doing business in the Commonwealth, along with a notice of a public hearing. Such hearing was held by the Department on June 30, 1960, and revisions were suggested, some of which were incorporated.

Accordingly, after due notice, public hearing, investigation and consideration, it is

ORDERED: That on and after January 1, 1961 gas companies, electric companies, municipal lighting plants and other persons engaged in the manufacture, sale or distribution of gas or electricity shall keep their books and accounts in the applicable forms prescribed by this department in the Uniform Systems of Accounts for gas companies, electric companies and municipal lighting plants, attached hereto, made a part hereof, and entitled as follows:

Uniform System of Accounts for Electric Companies—Prescribed by the Department of Public Utilities of Massachusetts—Revised Edition Effective January 1, 1961.

Supplement to Uniform System of Accounts for Electric Companies for Application to Municipal Lighting Plants—Electric—Prescribed by the Department of Public Utilities of Massachusetts—Revised Edition Effective January 1, 1961.

Uniform System of Accounts for Gas Companies—Prescribed by the Department of Public Utilities of Massachusetts—Revised Edition Effective January 1, 1961.

Supplement to Uniform System of Accounts for Gas Companies for Application to Municipal Lighting Plants—Gas—Prescribed by the Department of Public Utilities of Massachusetts—Revised Edition Effective January 1, 1961.

By order of the Department,

FRANCIS J. HICKEY, JR., Secretary

DEPARTMENT OF PUBLIC UTILITIES

To Gas and Electric Utilities and Municipal Lighting Plants

The Department by order in D.P.U. 4240-A dated September 7, 1960, adopted a revised Uniform System of Accounts for Electric Companies, Gas Companies and Municipal Lighting Plants for use on and after January 1, 1961. At the hearing on this matter held by the Department on June 30, 1960 and subsequent thereto revisions to the proposed system were suggested and many of these revisions were incorporated in the System as adopted by the Department. This printing incorporates such revisions in the main body of the System of Accounts and is a true copy of Uniform System of Accounts adopted in D.P.U. 4240-A dated September 7, 1960.

Any questions as to the interpretation or clarification of any provision in this System of Accounts should be directed in the first instance to the Chief Accountant of the Department.

JAMES F. SOUTHWOOD
Chief Accountant

DEFINITIONS

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually outstanding," as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

3. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

4. "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

5. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

7. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

8. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and handling incidental thereto.

9. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting

mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

10. "Department," unless otherwise indicated by the context, means the Massachusetts Department of Public Utilities prescribing this system of accounts.

11. "department" when used in this system of accounts shall mean the departments operated by the utility such as electric, gas, water, etc.

12. "Depreciation," as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

13. "Discount," as applied to the securities issued or assumed by the utility, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

14. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

15. "Minor items of property" means the associated parts or items of which retirement units are composed.

16. "Net salvage value" means the salvage value of property retired less the cost of removal.

17. "Nominally issued," as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, exchanged, or otherwise disposed of, or issued direct to trustees of sinking funds in accordance with contractual requirements.

18. "Nominally outstanding," as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

19. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

20. "Premium," as applied to securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par or face value and interest or dividends accrued at the date of sale.

21. "Property retired," as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.

22. "Replacing" or "replacement," when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

23. "Retirement units" means those items of utility plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the utility plant account in which included.

24. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

25. "Service life" means the time between the date utility plant is includible in utility plant in service, or utility plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

26. "Service value" means the difference between cost and the net salvage value of utility plant.

27. "Utility," as used herein and when not otherwise indicated in the context, means any utility to which this system of accounts is applicable.

GENERAL INSTRUCTIONS

1. Form of Books and Accounts Prescribed.

Electric companies shall, on and after January 1, 1961, keep their books and accounts in accordance with the rules, definitions and instructions herein set forth and the Rules and Regulations of the Department.

The entries to the accounts shall be supported with all necessary facts pertaining thereto, with identifying references to the records, contracts, pay rolls or other original books or memoranda upon which the same are founded. All books of account, pay rolls, records, contracts, vouchers and original books and memoranda relating to the financial affairs of the companies shall be readily accessible for examination by representatives of the Department.

Manufacturing companies in which the manufacture and sale of electricity is a minor portion of the business, or persons engaged in such business, shall be required to keep books and accounts of the transactions relating to their electric business only.

Each utility may adopt such plan of account numbers as it deems appropriate; provided, however, that it shall keep readily available a list of the account numbers and sub-divisions of accounts which it uses and a reconciliation of such numbers and sub-divisions with the account numbers and titles provided herein.

2. Preservation of Records.

All books, accounts, contracts, records, vouchers and memoranda pertaining to any or all of the company's property or its corporate or financial affairs (except certificates representing retired and cancelled security issues or other papers the destruction of which has been, or may be authorized from time to time by the Department) must be permanently preserved. All other original records must be preserved pending such further general or specific instructions as the Department shall from time to time prescribe.

3. Subdivision of Accounts.

In order that the accounting company may have a more comprehensive idea of the manner in which the funds of the company have been expended, and in order that it may develop efficiency in operation, the company may subdivide any primary account in this classification,

provided that the subprimary accounts do not impair the integrity of the accounts hereby prescribed.

4. Combined Gas and Electric Companies.

(a) Balance Sheet Accounts.—Companies operating more than one department, such as gas and electric, are not required to keep separate balance sheet accounts for each department, but separate accounts must be kept for each class of utility property to the extent provided in the texts and instructions pertaining to plant and equipment accounts and other items as specifically required in the texts of the accounts.

(b) Property Accounts.—A clear division (so far as possible) must be maintained for each utility department. Each class of accounts shall include all expenditures that can be definitely and properly assigned thereto.

In case the accounts of the company do not definitely show the cost of the property to be assigned to the utility departments operated, the property may be divided on an estimated basis.

In the numbering system used herein, as shown below, certain groupings are denoted by the prefixes E and G to provide required segregation of these accounts although a utility may adopt such other prefix or suffix as may be deemed necessary.

	<i>Electric</i>	<i>Gas</i>
Assets and other debits	100-199	100-199
Liabilities and other credits	200-299	200-299
Plant accounts	E300-399	G300-399
Income accounts	E400-439	G400-439
Revenue accounts	440-459	480-499
Production, transmission and distribution expenses	500-599	700-899
Customer, sales and general expenses	E900-949	G900-949

5. Electric Companies Classified.

For the purpose of effectively applying the provisions of this classification of operating expenses to the accounts of all companies, such companies are divided into two classes, as follows:

Class A.—Companies having annual operating revenues of \$1,000,000 or more.

Class B.—Companies having annual operating revenues of less than \$1,000,000.

All companies will keep Balance Sheet, Utility Plant, Income, Surplus and Operating Revenue accounts as provided in this system of accounts (so far as applicable to their business).

The class to which any utility belongs shall originally be determined by the average of its annual electric operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual electric operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual electric operating revenues of the classification previously applicable to the utility.

Any utility may, at its option, adopt the system of accounts prescribed by the Department for the next larger class.

6. Delayed Items.

Items relating to transactions which occurred prior to the current calendar year but which were not recorded in the books of account shall be included in the same accounts which would have been charged or credited if the items had not been delayed; provided, that when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month would seriously distort the accounts, it may be distributed in equal amounts to the accounts for the current and remaining months of the calendar year; and provided further, that, if the amount of any delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts, the amount shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, unless the Department shall prescribe otherwise in specific instances.

7. Distribution of Pay and Expenses of Employees.

The charges to utility plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

8. Payroll Distribution.

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially

to clearing accounts so that the total labor cost may be classified among construction, cost of removal, electric operating functions (steam generation, nuclear generation, hydraulic generation, transmission, distribution, etc.) and nonutility operations.

9. Accounting Period.

Each utility shall keep its books on a monthly basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Amounts applicable or assignable to specific utility departments shall be so segregated monthly. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Department.

10. Submittal of Questions.

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Department for consideration and decision.

ELECTRIC PLANT INSTRUCTIONS

1. Classification of Electric Plant at Effective Date of System of Accounts.

A. Each utility shall classify its electric plant as of January 1, 1961, the effective date of this system of accounts, in accordance with the electric plant accounts prescribed herein.

B. The cost to the utility of its electric plant shall be ascertained by analysis of the utility's records. Adjustments shall not be made to record in electric plant accounts amounts previously charged to operating expenses or to income deductions in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under a uniform system of accounts, or under accounting practices previously followed.

2. Basis of Charges to Electric Plant Accounts.

A. The charges to the accounts of this classification on account of expenditures for the acquisition of property and for improvements shall be based upon the cost of the property and the improvements, and the property shall be carried in the plant accounts at no more and no less than its actual cost unless, or until, such property is abandoned, replaced, reconstructed or converted.

B. When the consideration given for the purchase of property or for the improvement of property chargeable to the accounts of this classification is anything other than cash, the cash value of the consideration at the time of the transaction shall be charged to these accounts, and the consideration shall be described in the record with sufficient particularity to identify it.

C. No adjustment of any plant accounts shall be made on the basis of any appraised value. Should the Department at any time find a certain value of the property for rate making or other purposes, such finding does not warrant changing the books of account (unless specifically so directed). The detailed electric plant accounts (301 to 399, inclusive) are intended to show at all times the cost to the company of its existing property less such credits as may have been made on account of property abandoned, sold, reconstructed or converted.

D. When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant accounts

for interest, insurance, or other expenditures occasioned solely by such form of payment.

E. Electric plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the electric plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts for reserves for depreciation and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the electric plant accounts and the amounts credited to the reserves for depreciation and amortization shall be credited to account 271, Contributions in Aid of Construction.

3. Components of Construction Cost.

The cost of construction properly includible in the electric plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder.

(1) "Contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

(2) "Labor" includes the pay and expenses of employees of the utility engaged in construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

NOTE.—The cost of individual items of equipment of small value (for example, \$50 or less) or of short life, including small portable tools and implements, shall not be charged to electric plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

(4) "Transportation" includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See item 5 following.)

(5) "Special machine service" includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as power shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) "Shop service" includes the proportion of the expense of the utility's shop department assignable to construction work except that the cost of fabricated materials from the utility's shop shall be included in "Materials and supplies."

(7) "Protection" includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) "Injuries and damages" includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on

account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

(9) "Privileges and permits" includes payments for and expenses incurred in securing privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(10) "Rents" includes amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

(11) "Engineering and supervision" may include a reasonable portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.

(12) "General administration capitalized" may include a reasonable portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) "Engineering services" includes amounts paid to other companies, firms or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(14) "Insurance" includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injuries to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in item 2, above.

(15) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, item 7, and in injuries and damages, item 8.

(16) "Taxes" includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) "Interest during construction" includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

NOTE.—When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Electric Plant in Service" and interest thereon as a charge to construction shall cease. Interest on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in this item 17.

(18) "Earnings and expenses during construction." The earnings and expenses during construction shall constitute a component of construction costs.

(a) The earnings shall include revenues received or earned for power produced by generating plants during the construction period and sold or used by the utility. Where such power is sold to an independent purchaser before intermingling with power generated by other plants, the credit shall consist of the selling price of the energy. Where the power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the energy so delivered. The revenues shall also include rentals for lands, buildings, etc., and miscellaneous receipts not properly includible in other accounts.

(b) The expenses shall consist of the cost of operating the power plant, and other costs incident to the production and delivery of the power for which construction is credited under paragraph (a), above, including the cost of repairs and other expenses of operating and maintaining lands, buildings, and other property, and other miscellaneous and like expenses not properly includible in other accounts.

4. Overhead Construction Costs.

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest,

shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of payroll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

C. The records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to construction, and the basis of distribution of such costs.

5. Expenditures on Leased Property.

A. The cost of substantial initial improvements (including repairs, rearrangements, additions, and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property shall be charged to the electric plant account appropriate for the class of property leased. If the service life of the improvements is terminable by the provisions of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-Term Utility Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included either directly or by amortization thereof.

6. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interest, and privileges

held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights of way and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, or other property acquired with rights of way or other lands shall be credited to the appropriate land and land rights or clearing land account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its product shall be credited to account 421, Miscellaneous Nonoperating Income.

D. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right (except rights of way for distribution lines), or water right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, when such amount is significant, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends

to buildings or other improvements (other than public improvements), which are then devoted to electric operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in electric operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost of each interest over the life thereof. (See account 257, Reserve for Amortization of Utility Plant in Service, and account 404, Amortization of Limited-Term Utility Plant.)

1. The items of cost to be included in the accounts for land and land rights are as follows:

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Clearing (first cost) the land of brush, trees, and debris.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls unless identified with structures.
12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights, and grants.
22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the utility on public property.
24. Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.

7. Structures and Improvements.

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir, dam, waterway, etc., shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for

furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

F. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) when such material is sold the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

G. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

H. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Ash pits (when located within the building).
3. Athletic field structures and improvements.
4. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning system, incinerator and smoke pipe, flues, etc.
5. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
6. Chimneys.
7. Coal bins and bunkers.
8. Commissions and fees to brokers, agents, architects and others.
9. Conduit (not to be removed) with its contents.
10. Damages to abutting property during construction.
11. Docks.
12. Door checks and door stops.
13. Drainage and sewerage systems.
14. Elevators, cranes, hoists, etc., and the machinery for operating them.

15. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, and test borings.
16. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
17. Fire protection systems when forming a part of a structure.
18. Flagpole.
19. Floor covering (permanently attached).
20. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
21. Grading and clearing when directly occasioned by the building of a structure.
22. Intrasite communication system, poles, pole fixtures, wires and cables.
23. Landscaping, lawns, shrubbery, etc.
24. Leases, voiding upon purchase, to secure possession of structures.
25. Leased property, expenditures on.
26. Lighting fixtures and outside lighting system.
27. Mailchutes when part of a building.
28. Marquee, permanently attached to building.
29. Painting, first cost.
30. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
31. Partitions, including movable.
32. Permits and privileges.
33. Platforms, railings and gratings when constructed as a part of a structure.
34. Power boards for service to a building.
35. Refrigerating systems for general use.
36. Retaining walls except when identified with land.
37. Roadways, railroads, bridges, and trestles intrasite except railroads provided for in equipment accounts.
38. Roofs.
39. Scales, connected to and forming a part of a structure.
40. Screens.
41. Sewer systems, for general use.
42. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
43. Sprinkling systems.
44. Sump pumps and pits.
45. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
46. Steel inspection during construction.
47. Storage facilities constituting a part of a building.
48. Storm doors and windows.
49. Subways, areaways, and tunnels, directly connected to and forming part of a structure.

50. Tanks, constructed as part of a building or as a distinct structural unit.
51. Temporary heating during construction (net cost).
52. Temporary water connection during construction (net cost).
53. Temporary shanties and other facilities used during construction (net cost).
54. Topographical maps.
55. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
56. Vaults constructed as part of a building.
57. Watchmen's sheds and clock systems (net cost when used during construction only).
58. Water basins or reservoirs.
59. Water front improvements.
60. Water meters and supply system for a building or for general company purposes.
61. Water supply piping, hydrants and wells.
62. Wharves.
63. Window shades and ventilators.
64. Yard drainage system.
65. Yard lighting system.
66. Yard surfacing, gravel, concrete, or oil. (First cost only.)

NOTE.—Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. Equipment.

A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

B. Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value (for example, \$50 or less) or short life, unless the correctness of the accounting therefor as electric plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Department, upon request, with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate electric plant account.

9. Additions and Retirements of Electric Plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of electric plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility may adopt its own list of retirement units for the purpose of this instruction until such time as the Department shall prescribe a list of retirement units with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to electric plant, the cost thereof shall be added to the appropriate electric plant account.

(2) When a retirement unit is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired

and credited to electric plant shall be charged to the reserve for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B (1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the electric plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the reserve for depreciation shall be charged with the book cost and the cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate electric plant account.

D. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any amounts in the reserve for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in electric service but is retained by the utility, the book cost shall be charged to account 105, Property Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of depreciable electric plant retired shall be charged in its entirety to account 254, Reserve for Depreciation of Utility Plant in Service. Any amounts which, by approval or order of the Department, are charged to account 182, Extraordinary Property Losses, shall be credited to account 254.

10. Work Order System Required.

A. Each utility shall record all construction and retirements of electric plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of electric plant or the retirements may be included with the construction work order, provided, however, that all items relating to the retirements shall be kept separate from those relating to construction and provided, further, that any maintenance cost involved in the work shall likewise be segregated.

B. Each utility shall keep its work order system so as to show the nature of each addition to or retirement of electric plant, the total cost thereof, the source or sources of costs, and the electric plant account or accounts to which charged or credited. Work orders covering jobs of short duration may be cleared monthly.

C. Each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements, subsequent to the effective date of this system of accounts, are classified so as to show the number and the cost of the various retirement units or other appropriate record units included therein.

11. Transfers of Property.

When property is transferred from one electric plant account to another, from one utility department to another, such as from electric to gas, from one operating division or area to another, to or from accounts 101, Utility Plant in Service, 104, Utility Plant Leased to

Others, 105, Property Held for Future Use, and 121, Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for reserve for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

12. Common Utility Plant.

A. If the utility is engaged in more than one utility service such as electric, gas, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property with the approval of the Department, may be designated and classified as "common utility plant."

B. Utility plant designated as common utility plant shall be classified according to the detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Department annually, or more frequently, if required, and by electric plant accounts (301 to 399) the following: (1) the book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The reserve for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

13. Transmission and Distribution Plant.

For the purpose of this system of accounts:

A. "Transmission system" means:

(1) All land, conversion structures, and equipment employed at a primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) to change the voltage or

frequency of electricity for the purpose of its more efficient or convenient transmission;

(2) All land, structures, lines, switching and conversion stations, high tension apparatus, and their control and protective equipment between a generating or receiving point and the entrance to a distribution center or wholesale point; and

(3) All lines and equipment whose primary purpose is to augment, integrate or tie together the sources of power supply.

B. "Distribution system" means all land, structures, conversion equipment, lines, line transformers, and other facilities employed between the primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) and of delivery to customers, which are not includible in transmission system, as defined in paragraph A, whether or not such land, structures, and facilities are operated as part of a transmission system or as part of a distribution system.

NOTE.—Stations which change electricity from transmission to distribution voltage shall be classified as distribution stations.

C. Where poles or towers support both transmission and distribution conductors, the poles, towers, anchors, guys, and rights of way shall be classified as transmission system. The conductors, crossarms, braces, grounds, tiewire, insulators, etc., shall be classified as transmission or distribution facilities, according to the purpose for which used.

D. Where underground conduit contains both transmission and distribution conductors, the underground conduit and right of way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.

E. Land (other than rights of way) and structures used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.

OPERATING EXPENSE INSTRUCTIONS

1. Supervision and Engineering.

The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operations and maintenance of each utility function. Wherever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be reflected by underlying records.

ITEMS

Labor:

1. Special tests to determine efficiency of equipment operation.
2. Preparing or reviewing budgets, estimates, and drawings relating to operation or maintenance for departmental approval.
3. Preparing instructions for operations and maintenance activities.
4. Reviewing and analyzing operating results.
5. Establishing organizational setup of departments and executing changes therein.
6. Formulating and reviewing routines of departments and executing changes therein.
7. General training and instruction of employees by supervisors whose pay is chargeable hereto. Specific instruction and training in a particular type of work is chargeable to the appropriate functional account.
8. Secretarial work for supervisory personnel, but not general clerical and stenographic work chargeable to other accounts.

Expenses:

9. Consultants' fees and expenses.
10. Meals, traveling and incidental expenses.

2. Maintenance.

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed as functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. Maintenance of property leased from others shall be treated as provided in operating expense instruction 3.

ITEMS

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See electric plant instruction 9.)

3. Rents.

A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 591 to 593, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue accounts in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to utility plant leased from others shall be accounted for as provided in electric plant instruction 5.

NOTE.—The aggregate of the rents included in the functional operating expense accounts shall be included in the income statement in account 401, Operation Expense. However, where the rents are significant in amount, the aggregate thereof shall be shown separately in the income statement.

BALANCE SHEET ACCOUNTS**ASSETS AND OTHER DEBITS****1. Utility Plant**

- 101 Utility Plant in Service
- 104 Utility Plant Leased to Others
- 105 Property Held for Future Use
- 106 Completed Construction Not Classified
- 107 Construction Work in Progress

2. Other Property and Investments

- 121 Nonutility Property
- 123 Investment in Associated Companies
- 124 Other Investments
- 125 Sinking Funds
- 126 Depreciation Fund
- 127 Amortization Fund—Federal
- 128 Other Special Funds

3. Current and Accrued Assets

- 131 Cash
- 132 Interest Special Deposits
- 133 Dividend Special Deposits
- 134 Other Special Deposits
- 135 Working Funds
- 136 Temporary Cash Investments
- 141 Notes Receivable
- 142 Customer Accounts Receivable
- 143 Other Accounts Receivable
- 145 Notes Receivable from Associated Companies
- 146 Accounts Receivable from Associated Companies
- 151 Fuel
- 152 Fuel Stock Expenses
- 153 Residuals
- 154 Plant Materials and Operating Supplies
- 155 Merchandise
- 156 Other Materials and Supplies
- 157 Nuclear Fuel Assemblies and Components—In Reactor
- 158 Nuclear Fuel Assemblies and Components—Stock Account
- 159 Nuclear Byproduct Materials

- 163 Stores Expense
- 165 Prepayments
- 171 Interest and Dividends Receivable
- 172 Rents Receivable
- 173 Accrued Utility Revenues
- 174 Miscellaneous Current and Accrued Assets

4. Deferred Debits

- 181 Unamortized Debt Discount and Expense
- 182 Extraordinary Property Losses
- 183 Preliminary Survey and Investigation Charges
- 184 Clearing Accounts
- 185 Temporary Facilities
- 186 Miscellaneous Deferred Debits

5. Capital Stock Discount and Expense

- 191 Discount on Capital Stock
- 192 Capital Stock Expense

6. Reacquired Securities

- 196 Reacquired Capital Stock
- 197 Reacquired Bonds

BALANCE SHEET ACCOUNTS**LIABILITIES AND OTHER CREDITS****7. Proprietary Capital**

	Capital Stock
201	Common Stock Issued
202	Common Stock Subscribed
204	Preferred Stock Issued
205	Preferred Stock Subscribed
207	Premium on Capital Stock
	Surplus
208	Donations Received from Stockholders
209	Reduction in Par Value of Capital Stock
210	Gain on Cancellation of Reacquired Capital Stock
211	Miscellaneous Paid-In Capital
215	Appropriated Earned Surplus
216	Unappropriated Earned Surplus
217	Surplus Invested in Plant

8. Long-Term Debt

221	Bonds
223	Advances from Associated Companies
224	Other Long-Term Debt

9. Current and Accrued Liabilities

231	Notes Payable
232	Accounts Payable
233	Notes Payable to Associated Companies
234	Accounts Payable to Associated Companies
235	Customer Deposits
236	Taxes Accrued
237	Interest Accrued
238	Dividends Declared
239	Matured Long-Term Debt
240	Matured Interest
241	Tax Collections Payable
242	Miscellaneous Current and Accrued Liabilities

10. Deferred Credits

251	Unamortized Premium on Debt
252	Customer Advances for Construction
253	Other Deferred Credits

11. Reserves

254	Reserve for Depreciation of Utility Plant in Service
255	Reserve for Depreciation of Utility Plant Leased to Others
256	Reserve for Depreciation of Property Held for Future Use
257	Reserve for Amortization of Utility Plant in Service
258	Reserve for Amortization of Utility Plant Leased to Others
259	Reserve for Amortization of Property Held for Future Use
260	Reserve for Uncollectible Accounts
261	Property Insurance Reserve
262	Injuries and Damages Reserve
263	Pensions and Benefits Reserve
264	Amortization Reserve—Federal
265	Miscellaneous Operating Reserves
266	Reserve for Depreciation and Amortization of Nonutility Property
267	Reserve for Deferred Federal Income Taxes—Accelerated Amortization
268	Reserve for Deferred Federal Income Taxes—Liberalized Depreciation

12. Contributions in Aid of Construction

271	Contributions in Aid of Construction
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1. UTILITY PLANT

101. Utility Plant in Service.

A. This account shall include the cost of utility plant, included in the plant accounts prescribed herein and in similar accounts for other utility departments, including common utility plant, owned and used by the utility in its utility operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. Separate subaccounts shall be maintained hereunder for each utility department.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property. (See electric plant instruction 5.)

104. Utility Plant Leased to Others.

A. This account shall include the cost of utility plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105. Property Held for Future Use.

A. This account shall include the cost of property owned and held for future use in utility service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in utility service, but held for such service in the future under a definite plan, and property previously used by the utility in utility service, but retired from such service and held pending its reuse in the future, under a definite plan, in utility service.

B. The property included in this account shall be classified according to the detailed accounts prescribed for utility plant in service and the account shall be maintained in such detail as though the property were in service. Separate subaccounts shall be maintained hereunder for each utility department for which plant is held for future use.

NOTE.—Materials and supplies, meters and transformers held in reserve, and normal spare capacity of plant in service shall not be included in this account.

106. Completed Construction Not Classified.

At the end of the year or such other date as a balance sheet may be required by the Department, this account shall include the total of the balances of work orders for utility plant which has been completed and placed in service but which work orders have not been classified for transfer to the detailed utility plant accounts.

107. Construction Work in Progress.

A. This account shall include the total of the balances of work orders for utility plant in process of construction.

B. Work orders shall be cleared from this account as soon as practicable after completion of the job. Further, if a project, such as a hydroelectric project, a steam station or a transmission line, is designed to consist of two or more units or circuits which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in utility plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

2. OTHER PROPERTY AND INVESTMENTS

121. Nonutility Property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Property Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

123. Investment in Associated Companies.

A. This account shall include the book cost of investments in securities issued or assumed by associated companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement. Include also the off-

setting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. This account shall be maintained in such manner as to show the investment in securities of, and advances to, each associated company together with full particulars regarding any of such investments that are pledged.

NOTE A.—Securities and advances of associated companies owned and pledged shall be included in this account, but such securities, if held in special deposits or in special funds, shall be included in the appropriate deposit or fund account. A complete record of securities pledged shall be maintained.

NOTE B.—Securities of associated companies held as temporary cash investments are includible in account 136, Temporary Cash Investments.

NOTE C.—Balances in open accounts with associated companies, which are subject to current settlement, are includible in account 146, Accounts Receivable from Associated Companies.

NOTE D.—The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for accumulated provisions for loss in value established as a separate subdivision of this account.

124. Other Investments.

A. This account shall include the book cost of investments in securities issued or assumed by nonassociated companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A.—Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B.—Securities held as temporary cash investments shall not be included in this account.

NOTE C.—See note D of account 123, Investment in Associated Companies.

125. Sinking Funds.

This account shall include the amount of cash and book cost of investments held in sinking funds. A separate account, with appropriate title, shall be kept for each sinking fund. Transfers from this account to special deposit accounts may be made as necessary for the

purpose of paying matured sinking fund obligations, or obligations called for redemption but not presented, or the interest thereon.

126. Depreciation Fund.

This account shall include the amount of cash and the book cost of investments which have been segregated in a special fund for the purpose of identifying such assets with the accumulated provisions for depreciation.

127. Amortization Fund—Federal.

This account shall include the amount of cash and book cost of investments of any fund maintained pursuant to the requirements of a federal regulatory body, and the cash and investments segregated for the purpose of identifying the specific assets associated with account 264, Amortization Reserve—Federal.

128. Other Special Funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for insurance, employee pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE.—Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employee benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been made therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131. Cash.

This account shall include the amount of current cash funds available for general corporate purposes.

NOTE.—Working funds and funds deposited with fiscal agents for payment of interest or dividends or other special purposes are not available for general use and should not be included in this account.

132. Interest Special Deposits.

This account shall include special deposits with fiscal agents or others for the payment of interest.

133. Dividend Special Deposits.

This account shall include special deposits with fiscal agents or others for the payment of dividends.

134. Other Special Deposits.

This account shall include deposits with fiscal agents or others for special purposes other than the payment of interest and dividends. Such special deposits may include cash deposited with federal, state, or municipal authorities as a guaranty of the fulfillment of obligations; cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; cash realized from the sale of the accounting utility's securities and deposited with trustees to be held until invested in property of the utility, etc. Entries to this account shall specify the purpose for which the deposit is made.

NOTE.—Assets available for general corporate purposes shall not be included in this account. Further, deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 128, Other Special Funds.

135. Working Funds.

This account shall include cash advanced to officers, agents, employees, and others as petty cash or working funds.

136. Temporary Cash Investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141. Notes Receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, except, however, notes receivable from associated companies. (See account 136, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

NOTE.—The face amount of notes receivable discounted, sold or transferred, without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142. Customer Accounts Receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to show separately amounts due for merchandising, jobbing and contract work.

143. Other Accounts Receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 135, Working Funds.)

145. Notes Receivable from Associated Companies.**146. Accounts Receivable from Associated Companies.**

These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from the date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months

from due date shall be transferred to account 123, Investment in Associated Companies.

NOTE A.—On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

NOTE B.—The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

151. Fuel.

This account shall include the book cost of fuel on hand.

ITEMS

1. Invoice price of fuel less any cash or other discounts.
2. Freight, switching, demurrage and other transportation charges, not including, however, any charges for unloading from the shipping medium.
3. Excise taxes, purchasing agents' commissions, insurance and other expenses directly assignable to cost of fuel.

152. Fuel Stock Expenses.

A. This account may include the cost of labor and of supplies used and expenses incurred in unloading fuel from the shipping medium and in the handling thereof prior to its use, if such expenses are sufficiently significant in amount to warrant being treated as a part of the cost of fuel inventory rather than being charged direct to expense as incurred.

B. Amounts included herein shall be charged to expense as the fuel is used to the end that the balance herein shall not exceed the expenses attributable to the inventory of fuel on hand.

ITEMS

Labor:

1. Procuring and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank, or holder of boiler house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Supplies and Expenses:

7. Tools, lubricants and other supplies.
8. Operating supplies for mechanical equipment.
9. Transportation and other expenses in moving fuel.
10. Stores expenses applicable to fuel.

153. Residuals.

This account shall include the book cost of any residuals produced in production or manufacturing processes.

154. Plant Materials and Operating Supplies.

A. This account shall include the cost of plant materials and operating supplies purchased primarily for use in the utility business. It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realizable therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.

4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE.—Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they shall be charged to account 163, Stores Expense.

155. Merchandise.

This account shall include the book cost of materials and supplies and appliances and equipment held primarily for merchandising, jobbing and contract work. The principles prescribed in accounting for utility materials and supplies shall be observed in respect to items carried in this account.

156. Other Materials and Supplies.

This account shall include the book cost of materials and supplies held primarily for nonutility purposes. The principles prescribed in accounting for utility materials and supplies shall be observed in respect to items carried in this account.

157. Nuclear Fuel Assemblies and Components—In Reactor.

This account shall include cost to the utility of assemblies and components installed in the reactor for production of electricity. This account shall be debited for cost of assemblies and components transferred from account 158, Nuclear Fuel Assemblies and Components—Stock Account, and credited for amounts charged to account 518, Fuel, for cost distribution of assemblies and components in use. Upon discharge of the reactor for refueling, this account shall be credited and account 158, Nuclear Fuel Assemblies and Components—Stock Account, debited for remaining undistributed net costs pertaining to assemblies and components removed from the reactor.

158. Nuclear Fuel Assemblies and Components—Stock Account.

A. This account shall include the cost to the utility of nuclear fuel assemblies and components in process of fabrication, held in stock as spare assemblies and components, and held for or being chemically processed after use. When fuel assemblies and components are removed from stock for installation in the reactor, this account shall be credited and account 157, Nuclear Fuel Assemblies and Components—In Reactor, debited for the utility's cost thereof. When materials are discharged from the reactor, this account shall be debited and account 157 credited with the remaining costs applicable to the spent fuel assemblies. Upon completion of chemical processing of the reactor discharge materials an accounting shall be made for disposition

of such reprocessed materials, including adjustments to account 518, Fuel, and other accounts, as appropriate.

B. Where stock may consist of assemblies and components from more than one lot of fabricated materials, the basis of costing issues from stock may be on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

NOTE.—Provisions will be made as required to provide for reactors utilizing aqueous and liquid solutions, slurries and fluidized solids.

159. Nuclear Byproduct Materials.

This account shall include the net recoverable values of plutonium and other nuclear byproduct materials. This account shall be debited and account 518, Fuel, credited with the estimated recoverable values of the excess of nuclear byproduct materials formed in operation of the reactor over the nuclear byproduct materials burned, if any, net of the estimated cost of conversion and delivery to the Atomic Energy Commission. Adjustments to this account with respect to differences between amounts actually realized and the estimated amounts accumulated from credits to operations shall be debited or credited, as appropriate, to account 518, Fuel.

163. Stores Expense.

A. This account shall include the cost of supervision, labor and expenses incurred in the operation of general storerooms, including purchasing, storage, handling and distribution of materials and supplies.

B. This account shall be cleared by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expense equitably over stores issues. The balance in the account at the close of the year shall not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies exclusive of fuel, as any amount applicable to fuel costs should be included in account 152, Fuel Stock Expenses.

ITEMS

Labor:

1. Inspecting and testing materials and supplies when not assignable to specific items.
2. Unloading from shipping facility and putting in storage.
3. Supervision of purchasing and stores department to extent assignable to materials handled through stores.
4. Getting materials from stock and in readiness to go out.

5. Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits.
6. Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional. Purchasing department expenses may be included in administrative and general expenses.)
7. Maintaining stores equipment.
8. Cleaning and tidying storerooms and stores offices.
9. Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.
10. Collecting and handling scrap materials in stores.

Supplies and Expenses:

11. Adjustments of inventories of materials and supplies but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such classes of materials have been charged since the previous inventory.
12. Cash and other discounts not practically assignable to specific materials.
13. Freight, express, etc., when not assignable to specific items.
14. Heat, light and power for storerooms and store offices.
15. Brooms, brushes, sweeping compounds and other supplies used in cleaning and tidying storerooms and stores offices.
16. Injuries and damages.
17. Insurance on materials and supplies and on stores equipment.
18. Losses due to breakage, leakage, evaporation, fire or other causes, less credits for amounts received from insurance, transportation companies or others in compensation of such losses.
19. Postage, printing, stationery and office supplies.
20. Rent of storage space and facilities.
21. Communication service.
22. Excise and other similar taxes not assignable to specific materials.
23. Transportation expense on inward movement of stores except when charged to particular material to which they relate and on transfer between storerooms but not including charges on materials recovered from retirements which shall be accounted for as part of cost of removal.

NOTE.—A physical inventory of each class of materials and supplies shall be made at least every two years.

165. Prepayments.

This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and shall be

kept or supported in such manner as to disclose the amount of each class of prepayment.

171. Interest and Dividends Receivable.

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., the payment of which is reasonably assured and the amount of dividends declared or guaranteed on stocks owned.

NOTE A.—Interest which is not subject to current settlement shall not be included herein but in the account in which is carried the principal on which the interest is accrued.

NOTE B.—Interest and dividends receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

172. Rents Receivable.

This account shall include rents receivable or accrued on property rented or leased by the utility to others.

NOTE.—Rents receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

173. Accrued Utility Revenues.

At the option of the utility, the estimated amount accrued for service rendered, but not billed at the end of any accounting period, may be included herein. In case accruals are made for unbilled revenues, they shall be made likewise for unbilled expenses, such as for the purchase of energy.

174. Miscellaneous Current and Accrued Assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181. Unamortized Debt Discount and Expense.

A. This account shall include the total of the debit balances in the discount, expense, and premium accounts for all classes of long-term debt, determined as provided in the following paragraphs of this account.

B. A discount, expense, and premium account shall be maintained for each class and series of long-term debt (including receivers' certificates) issued or assumed by the utility, in which shall be recorded the discount, expense, and premium associated with the issuance and sale

of each such class and series of debt. In stating the balance sheet, the total of the debit balances remaining in those accounts having debit balances shall be reported under this account and the total of credit balances remaining in those accounts having credit balances shall be reported under account 251, Unamortized Premium on Debt. Accounts with debit balances shall not be set off against accounts with credit balances.

C. The discount, expense, and premium shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to account 428, Amortization of Debt Discount and Expense, or credited to account 429, Amortization of Premium on Debt—Cr., as may be appropriate. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

D. When any long-term debt is reacquired or redeemed without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the face value plus the unamortized premium or less the unamortized discount and expense, as the case may be, applicable to the debt redeemed, retired and canceled, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus as appropriate.

E. When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the maturity date of the first issue, account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, shall be credited or debited, as appropriate, with any unamortized discount, expense, or premium on the first issue and any premium paid or discount earned on the redemption. If the utility desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the first issue over a period subsequent to the date of redemption, the permission of the Department must be obtained; provided, however, that special permission of the Department shall not be necessary, if the utility proceeds with a plan of disposition of the discount, expense, and redemption premiums associated with the refunded bonds, as follows:

- (1) A special charge is recorded in the year of refunding in account 428, Amortization of Debt Discount and Expense,

equal to the saving in income taxes arising from the refunding transactions;

- (2) There is charged to account 435, Miscellaneous Debits to Surplus, in the year of refunding, any amounts of unamortized discount and expenses or redemption premiums relating to bonds or other long-term obligations previously refunded by the refunded bonds under immediate consideration, such amounts sometimes being referred to as "grandfather items"; and,

- (3) The utility proceeds to amortize by equal monthly charges, from the date of refunding, the remainder of the charges associated with the refunded bonds, over a period not longer than that in which the saving in net annual interest and amortization charges equals the remainder of charges to be amortized, after taking into consideration the estimated additional taxes on income attributable to the saving in net annual interest and amortization charges.

F. Discount, expense, or premium on debt shall not be included as part of the cost of constructing or acquiring any property, tangible or intangible, except under the provisions of account 432, Interest Charged to Construction—Cr.

182. Extraordinary Property Losses.

A. When authorized or directed by the Department, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the reserve for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to reserve for depreciation. If all, or a portion, of the loss is to be included in this account, the reserve for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Department for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which and the accounts to which it is proposed to write off the charges, and other pertinent information.

183. Preliminary Survey and Investigation Charges.

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to Account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense account.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information as to the nature and the purpose of the survey, plans, or investigations and the nature and amounts of the several charges.

NOTE.—The amount of preliminary survey and investigation charges transferred to utility plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to utility plant.

184. Clearing Accounts.

This caption shall include undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

185. Temporary Facilities.

This account shall include amounts shown by work orders for plant installed for temporary use in utility service for periods of less than one year. Such work orders shall be charged with the cost of temporary facilities and credited with payments received from customers and net salvage realized on removal of the temporary facilities. Any net credit or debit resulting shall be cleared to account 451, Miscellaneous Service Revenues.

186. Miscellaneous Deferred Debits.

A. This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization, and items the proper final disposition of which is uncertain.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit.

5. CAPITAL STOCK DISCOUNT AND EXPENSE**191. Discount on Capital Stock.**

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 210, Gain on Cancellation of Reacquired Capital Stock, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 210.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

192. Capital Stock Expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 210, Gain on Cancellation of Reacquired Capital Stock, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 210.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE.—Expenses in connection with the reacquisition of the utility's capital stock shall not be included herein.

6. REACQUIRED SECURITIES

196. Reacquired Capital Stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 210, Gain on Cancellation of Reacquired Capital Stock, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance in account 210.

197. Reacquired Bonds.

A. This account shall include the face value of bonds actually issued or assumed by the utility and reacquired by it and not retired or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. (See, however, account 181, paragraph E, as to refunding operations.)

7. PROPRIETARY CAPITAL

CAPITAL STOCK

201. Common Stock Issued.

204. Preferred Stock Issued.

A. These accounts shall include the par value of each class of capital stock actually issued, including the par value of such capital stock in account 196, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

202. Common Stock Subscribed.

205. Preferred Stock Subscribed.

A. These accounts shall include the amount of legally enforceable subscriptions to capital stock of the utility. They shall be credited with the par value of the stock subscribed, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to subscriptions to capital stock, included as a separate subdivision of account 143, Other Accounts Receivable, for the agreed price and any discount or premium shall be debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the shares subscribed, this account shall be debited, and the appropriate capital stock account credited, with the par value of such stock.

B. The records shall be kept in such manner as to show the amount of subscriptions to each class and series of stock.

207. Premium on Capital Stock.

A. This account shall include in a separate subdivision for each class and series of stock, the excess of the actual cash value of the consideration received on original issues of capital stock over the par value and accrued dividends of such stock.

B. Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expenses of another issue of the same class or series.

C. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be transferred to account 210, Gain on Cancellation of Reacquired Capital Stock.

SURPLUS

208. Donations Received from Stockholders.

This account shall include the balance of credits for donations received from stockholders consisting of cash, capital stock of the utility, cancellation or reduction of debt of the utility, and the cash value of other assets received as a donation.

209. Reduction in Par Value of Capital Stock.

This account shall include the balance of credits arising from a reduction in the par value of capital stock.

210. Gain on Cancellation of Reacquired Capital Stock.

This account shall include the balance of credits arising from the cancellation of reacquired capital stock. (See account 196, Reacquired Capital Stock.)

211. Miscellaneous Paid-In Capital.

This account shall include the balance of all other credits for paid-in capital which are not properly includible in the foregoing accounts.

NOTE.—Amounts included in capital surplus at the effective date of this system of accounts which cannot be classified as to the source thereof shall be included in this account.

215. Appropriated Earned Surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate sub-accounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216. Unappropriated Earned Surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any of the accounts for paid-in capital.

217. Surplus Invested in Plant.

This account shall include such appropriations of surplus as are definitely set aside for construction and for additions to and betterments of the company's plant and property, the cost of which is carried in the plant investment and equipment accounts; or for the acquisition of property the cost of which is includible in account 121, Nonutility Property.

8. LONG-TERM DEBT**221. Bonds.**

This account shall include, in a separate subdivision for each class and series of bonds, the face value of the actually issued and unmatured bonds which have not been retired or canceled; also, the face value of such bonds issued by others the payment of which has been assumed by the utility.

223. Advances from Associated Companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224. Other Long-Term Debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE.—Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 197, Reacquired Bonds.

9. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receivers' certificates and similar

obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231. Notes Payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232. Accounts Payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233. Notes Payable to Associated Companies.

234. Accounts Payable to Associated Companies.

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

NOTE.—Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235. Customer Deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236. Taxes Accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus as appropriate.

C. Accruals for taxes shall be based upon the net amounts payable after credit for any discounts, and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237. Interest Accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238. Dividends Declared.

This account shall include the amount of dividends which have been declared but not paid. Dividends shall be credited to this account when they become a liability.

239. Matured Long-Term Debt.

This account shall include the amount of long-term debt (including any obligation for premiums) matured and unpaid, without specific agreement for extension of the time of payment and bonds called for redemption but not presented.

240. Matured Interest.

This account shall include the amount of matured interest on long-term debt or other obligations of the utility at the date of the balance sheet unless such interest is added to the principal of the debt on which incurred.

241. Tax Collections Payable.

This account shall include the amount of taxes collected by the utility through payroll deductions or otherwise pending transmittal of such taxes to the proper taxing authority.

NOTE.—Do not include liability for taxes assessed directly against the utility which are accounted for as part of the utility's own tax expense.

242. Miscellaneous Current and Accrued Liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

10. DEFERRED CREDITS**251. Unamortized Premium on Debt.**

This account shall include the total of the credit balances in the discount, expense and premium accounts, for all classes of long-term debt, including receivers' certificates. (See account 181, Unamortized Debt Discount and Expense.)

252. Customer Advances for Construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253. Other Deferred Credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

11. RESERVES**254. Reserve for Depreciation of Utility Plant in Service.**

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 415, Income from Merchandising, Jobbing, and Contract Work or to clearing accounts for current depreciation expense.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation.

(3) Amounts of depreciation applicable to utility properties acquired as operating units or systems.

(4) Amounts charged to account 182, Extraordinary Property Losses, when authorized by the Department.

(5) Amounts of depreciation applicable to utility plant donated to the utility.

B. At the time of retirement of depreciable utility plant in service, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. For purposes of analysis, however, each utility shall maintain subsidiary records in which this account is segregated according to the utility department to which applicable. These subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately (a) the amount of accrual for depreciation, (b) the book cost of property retired, (c) cost of removal, (d) salvage, and (e) other items, including recoveries from insurance.

D. When transfers of plant are made from one utility plant account to another, or from or to nonutility property, the accounting shall be as provided in electric plant instruction 11.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

255. Reserve for Depreciation of Utility Plant Leased to Others.

A. This account shall be credited with amounts charged to account 412, Income from Utility Plant Leased to Others, for current depreciation expense or to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation of property included in account 104, Utility

Plant Leased to Others. Include, also, credits for depreciation applicable to plant acquired as operating units or systems, to plant donated to the utility or for losses transferred to account 182, Extraordinary Property Losses.

B. The requirements of account 254, Reserve for Depreciation of Utility Plant in Service, regarding retirements chargeable thereto and subsidiary data to be maintained shall be applicable likewise to this account.

C. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

256. Reserve for Depreciation of Property Held for Future Use.

A. This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating Income, for depreciation expense on property included in account 105, Property Held for Future Use. Include, also, the balance of the reserve for depreciation on property which may be transferred to account 105, Property Held for Future Use, from other property accounts.

B. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

NOTE.—Normally, this account will not be used for current depreciation provisions because, as provided herein, the service life during which depreciation is computed commences with the date property is includible in utility plant in service. However, if special circumstances indicate the propriety of current accruals for depreciation, such charges shall be made to account 421, Miscellaneous Nonoperating Income.

257. Reserve for Amortization of Utility Plant in Service.

A. This account shall be credited with amounts charged to account 404, Amortization of Limited-Term Utility Plant, for the current amortization of limited-term utility investments, or to account 435, Miscellaneous Debits to Surplus, for past accrued amortization. It shall be credited also with amounts which may be charged to account 405, Amortization of Other Utility Plant, to account 425, Miscellaneous Amortization, or to account 435, Miscellaneous Debits to Surplus, to amortize intangible or other utility plant which does not have a definite or terminable life and is not subject to charges for depreciation expense.

B. When any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be

charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

258. Reserve for Amortization of Utility Plant Leased to Others.

A. This account shall be credited with amounts charged to account 412, Income from Utility Plant Leased to Others, for the current amortization of limited-term or other investments subject to amortization included in account 104, Utility Plant Leased to Others, or to account 435, Miscellaneous Debits to Surplus, for past accrued amortization.

B. When any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

259. Reserve for Amortization of Property Held for Future Use.

A. This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating Income, for amortization expense on property included in account 105, Property Held for Future Use. Include also, the balance of the reserve for depreciation of property which may be transferred to account 105, Property Held for Future Use, from other property accounts.

B. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Department.

NOTE.—See also note to account 256, Reserve for Depreciation of Property Held for Future Use.

260. Reserve for Uncollectible Accounts.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers

Merchandising, Jobbing and Contract Work

Officers and Employees

Others

NOTE A.—Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B.—If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

261. Property Insurance Reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to account 924, Property Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262. Injuries and Damages Reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries

to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

NOTE.—Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263. Pensions and Benefits Reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees, for pensions, accident and death benefits, savings relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

NOTE.—If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

264. Amortization Reserve—Federal.

This account shall be credited with such amounts as are appropriated or set aside by a Federal licensee from earnings for amortization purposes in accordance with the requirements of a Federal license; also the interest derived from the "Amortization Fund—Federal," or income from investments belonging to such fund.

265. Miscellaneous Operating Reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE.—This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

266. Reserve for Depreciation and Amortization of Nonutility Property.

This account shall be credited with depreciation and amortization applicable to property other than utility plant.

267. Reserve for Deferred Federal Income Taxes—Accelerated Amortization.

A. This account shall be credited and account 410, Provision for Deferred Federal Income Taxes, shall be debited with an amount, for each year, equal to the reduction in federal income taxes for that year resulting from the use of accelerated amortization as permitted under Section 168 of the Internal Revenue Code of 1954.

B. During the period when such accelerated amortization results in increased federal income taxes because of its use in prior years, this account shall be debited and account 411, Federal Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount for each year equal to the increase in federal income taxes for that year until this account is exhausted.

C. Any balances remaining after the expiration of the useful life of the certified defense facilities, or upon the retirement of such facilities, shall be credited to account 411, Federal Income Taxes Deferred in Prior Years—Credit, or otherwise be applied as the Department may authorize or direct.

268. Reserve for Deferred Federal Income Taxes—Liberalized Depreciation.

A. This account shall be credited and account 410, Provision for Deferred Federal Income Taxes, shall be debited with an amount, for each year, equal to the reduction in federal income taxes for that year resulting from the use of liberalized depreciation as permitted under Section 167 of the Internal Revenue Code of 1954.

B. During the period when such liberalized depreciation results in increased federal income taxes because of its use in prior years, this account shall be debited and account 411, Federal Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount for each year equal to the increase in federal income taxes for that year until this account is exhausted.

C. Any balances remaining after the expiration of the useful life of the property for which accounting for liberalized depreciation was

followed, or upon the retirement of such facilities, shall be credited to account 411, Federal Income Taxes Deferred in Prior Years—Credit, or otherwise be applied as the Department may authorize or direct.

12. CONTRIBUTIONS IN AID OF CONSTRUCTION**271. Contributions in Aid of Construction.**

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Department.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

NOTE.—There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

ELECTRIC PLANT ACCOUNTS

1. INTANGIBLE PLANT

- 301 Organization
- 303 Miscellaneous Intangible Plant

2. PRODUCTION PLANT

A. Steam Production

- 310 Land and Land Rights
- 311 Structures and Improvements
- 312 Boiler Plant Equipment
- 313 Engines and Engine Driven Generators
- 314 Turbogenerator Units
- 315 Accessory Electric Equipment
- 316 Miscellaneous Power Plant Equipment

B. Nuclear Production

- 320 Land and Land Rights
- 321 Structures and Improvements
- 322 Reactor Plant Equipment
- 323 Turbogenerator Units
- 324 Accessory Electric Equipment
- 325 Miscellaneous Power Plant Equipment

C. Hydraulic Production

- 330 Land and Land Rights
- 331 Structures and Improvements
- 332 Reservoirs, Dams and Waterways
- 333 Water Wheels, Turbines and Generators
- 334 Accessory Electric Equipment
- 335 Miscellaneous Power Plant Equipment
- 336 Roads, Railroads and Bridges

D. Other Production

- 340 Land and Land Rights
- 341 Structures and Improvements
- 342 Fuel Holders, Producers and Accessories
- 343 Prime Movers
- 344 Generators
- 345 Accessory Electric Equipment
- 346 Miscellaneous Power Plant Equipment

3. TRANSMISSION PLANT

- 350 Land and Land Rights
- 351 Clearing Land and Rights of Way
- 352 Structures and Improvements
- 353 Station Equipment
- 354 Towers and Fixtures
- 355 Poles and Fixtures
- 356 Overhead Conductors and Devices
- 357 Underground Conduit
- 358 Underground Conductors and Devices
- 359 Roads and Trails

4. DISTRIBUTION PLANT

- 360 Land and Land Rights
- 361 Structures and Improvements
- 362 Station Equipment
- 363 Storage Battery Equipment
- 364 Poles, Towers and Fixtures
- 365 Overhead Conductors and Devices
- 366 Underground Conduit
- 367 Underground Conductors and Devices
- 368 Line Transformers
- 369 Services
- 370 Meters
- 371 Installations on Customers' Premises
- 372 Leased Property on Customers' Premises
- 373 Street Lighting and Signal Systems

5. GENERAL PLANT

- 389 Land and Land Rights
- 390 Structures and Improvements
- 391 Office Furniture and Equipment
- 392 Transportation Equipment
- 393 Stores Equipment
- 394 Tools, Shop and Garage Equipment
- 395 Laboratory Equipment
- 396 Power Operated Equipment
- 397 Communication Equipment
- 398 Miscellaneous Equipment
- 399 Other Tangible Property

1. INTANGIBLE PLANT

301. Organization.

This account shall include all fees paid to federal or state governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership or other enterprise and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

NOTE A.—This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of capital stock.

NOTE B.—Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account. Any amounts charged to this account should be amortized within a reasonable period.

303. Miscellaneous Intangible Plant.

This account shall include the cost of patent rights, licenses, privileges and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account. Any amounts charged to this account should be amortized within a reasonable period.

2. PRODUCTION PLANT

A. Steam Production

310. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 6.)

311. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 7.)

NOTE.—Include steam production roads and railroads in this account.

312. Boiler Plant Equipment.

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.
3. Boiler plant cranes and hoists and associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blowdown system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.
7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.
8. Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.
9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.
10. Lighting systems.
11. Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.
12. Pulverized fuel equipment, including pulverizers, necessary motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.

13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of buildings.
14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313, Engines and Engine-Driven Generators.
15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.
16. Ventilating equipment.
17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
18. Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

NOTE.—When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for producing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of account 311, Structures and Improvements.

313. Engines and Engine-Driven Generators.

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine-driven main generators, except turbogenerator units.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Circulating pumps, including connections between condensers and intake and discharge tunnels.
4. Cooling system, including towers, pumps, tank, and piping.
5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Engines, reciprocating or rotary.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.

10. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.
11. Governors.
12. Lighting systems.
13. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.
14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping—main exhaust, including connections between generator and condenser and between condenser and hotwell.
16. Piping—main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil system, including accumulators, pumps, piping, motors, etc.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of a structure.
21. Water screens, motors, etc.

314. Turbogenerator Units.

This account shall include the cost installed of main turbine-driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen gas piping system and hydrogen detrainment equipment.
5. Cooling system, including towers, pumps, tanks, and piping.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system, when identified with main generating units.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.

14. Piping—main exhaust, including connections between turbo-generator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
17. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23. Moisture separators for turbine steam.
24. Turbine lubricating oil (initial charge).

315. Accessory Electric Equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating

- mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchroscope in the turbine room, station totalizing watt-meter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE A.—Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purposes of transmission or distribution.

NOTE B.—When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

316. Miscellaneous Power Plant Equipment

This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steam-power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency

whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.

10. Railway cars not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE.—When any item of equipment listed herein is wholly used in connection with equipment included in another account, its cost shall be included in such other account.

B. Nuclear Production

320. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with nuclear power generation. (See electric plant instruction 6.)

321. Structures and Improvements.

This account shall include the cost in place of structures and improvements used and useful in connection with nuclear power generation. (See electric plant instruction 7.)

NOTE.—Include vapor containers and nuclear production roads and railroads in this account.

322. Reactor Plant Equipment.

This account shall include the installed cost of reactors, reactor fuel handling and storage equipment, pressurizing equipment, coolant charging equipment, purification and discharging equipment, radioactive waste treatment and disposal equipment, boilers, steam and feed water piping, reactor and boiler apparatus and accessories and other reactor plant equipment used in the production of steam to be used primarily for generating electricity, including auxiliary superheat boilers and associated equipment in systems which change temperatures or pressure of steam from the reactor system.

ITEMS

1. Auxiliary superheat boilers and associated fuel storage, handling preparation and burning equipment, etc. (See account 312, Boiler Plant Equipment, for items, but exclude water supply, water flow lines, and steam lines, as well as other equipment not strictly within the superheat function.)
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators,

and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drivers.

3. Boilers and heat exchangers.
4. Instruments and devices, including all measuring, indicating and recording equipment for reactor and boiler plant service together with mountings and supports.
5. Lighting systems.
6. Moderators, such as heavy water, graphite, etc. (initial charge).
7. Reactor coolant, primary and secondary systems (initial charge).
8. Radioactive waste treatment and disposal equipment, including tanks, ion exchangers, incinerators, condensers, chimneys and diluting fans and pumps.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Reactor including shielding control rods and mechanisms.
11. Reactor fuel handling equipment, including manipulating and extraction tools, underwater viewing equipment, seal cutting and welding equipment, fuel transfer equipment and fuel disassembly machinery.
12. Reactor fuel element failure detection system.
13. Reactor emergency poison container and injection system.
14. Reactor pressurizing and pressure relief equipment, including pressurizing tanks and immersion heaters.
15. Reactor coolant or moderator circulation, charging, purification, and discharging equipment, including tanks, pumps, heat exchangers, demineralizers and storage.
16. Station piping, including pipes, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all-reactor coolant, steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, or air piping.
17. Ventilating equipment.
18. Water purification equipment, including softeners, demineralizers and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
19. Water supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
20. Reactor plant cranes and hoists and associated drives.

NOTE.—When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe lines, or cooling ponds, the cost of such special facilities shall be charged to a subdivision of account 321, Structures and Improvements.

323. Turbogenerator Units.

This account shall include the cost installed of main turbine-driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers, and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen gas piping system and hydrogen detrainment equipment and bulk hydrogen gas storage equipment.
5. Cooling system, including towers, pumps, tanks and piping.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system when identified with main generating units.
8. Fire-extinguishing systems.
9. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
14. Piping—main exhaust, including connections between turbo-generator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
17. Pressure oil system, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23. Moisture separators for turbine steam.
24. Turbine lubricating oil (initial charge).

324. Accessory Electric Equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by nuclear power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other

accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, fire-extinguishing system, and test equipment.
5. Station control system, including station switchboard with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchroscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE A.—Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B.—When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

325. Miscellaneous Power Plant Equipment.

This account shall include the cost installed of miscellaneous equipment in and about the nuclear generating plant devoted to general station use, and which is not properly includible in any of the foregoing nuclear-power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station and site use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather recording devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railway cars or special shipping containers, not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.
14. Station and area radiation monitoring equipment.

NOTE.—When any item of equipment listed herein is wholly used in connection with equipment included in another account, its cost shall be included in such other account.

C. Hydraulic Production**330. Land and Land Rights.**

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 6.)

331. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 7.)

332. Reservoirs, Dams and Waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

ITEMS

1. Bridges and culverts (when not a part of roads or railroads).
2. Clearing and preparing land.
3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric systems, including conductors, control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power lines wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333. Water Wheels, Turbines and Generators.

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tail-race) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire-extinguishing equipment.

3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipes, valves, fittings, etc.
14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334. Accessory Electric Equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the accounts in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating

- mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE A.—Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B.—When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335. Miscellaneous Power Plant Equipment.

This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.

9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect-control equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE.—When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

336. Roads, Railroads and Bridges.

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

ITEMS

1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

NOTE A.—Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in account 331, Structures and Improvements.

NOTE B.—The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

D. Other Production

340. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 6.)

341. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 7.)

342. Fuel Holders, Producers, and Accessories.

This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343. Prime Movers.

This account shall include the cost installed of Diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

1. Air-filtering systems.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, diesel, gasoline, gas, or other internal combustion.
6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems.
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling, and testing equipment.
13. Mufflers.

14. Piping.
15. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antifluators, etc.

344. Generators.

This account shall include the cost installed of Diesel or other power driven main generators.

ITEMS

1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

345. Accessory Electric Equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.

3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.
4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.
5. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

NOTE A.—Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

NOTE B.—When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346. Miscellaneous Power Plant Equipment.

This account shall include the cost installed of miscellaneous equipment in and about the other power generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.

5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE.—When any item of equipment listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

3. TRANSMISSION PLANT

350. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with transmission operations. (See electric plant instruction 6.)

351. Clearing Land and Rights of Way.

This account shall include the cost of initial or original clearing of transmission line land and rights of way.

NOTE.—The cost of removing stumps, grading, excavating, etc., incident to the preparation of foundations for towers or other structures or to the construction of roads, trails, and bridges, shall not be included in this account but in the accounts directly benefited.

352. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See electric plant instruction 7.)

353. Station Equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.

2. Conduit, including concrete and iron duct runs not a part of a building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including transformers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, and disconnect switches.
13. Tools and appliances.

354. Towers and Fixtures.

This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill, and disposal of excess excavated material.
5. Foundations.
6. Guards.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355. Poles and Fixtures.

This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, head, arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing, stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.
9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.
13. Settings.
14. Shaving and painting.

356. Overhead Conductors and Devices.

This account shall include the cost installed of overhead conductors and devices used for transmission purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lightning arresters.
6. Switches.
7. Other line devices.

357. Underground Conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See electric plant instruction 13.)

ITEMS

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.

8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

358. Underground Conductors and Devices.

This account shall include the cost installed of underground conductors and devices used for transmission purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

359. Roads and Trails.

This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities.

ITEMS

1. Bridges, including foundation piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

NOTE.—The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall be charged to the accounts appropriate for the construction.

4. DISTRIBUTION PLANT**360. Land and Land Rights.**

This account shall include the cost of land and land rights used in connection with distribution operations. (See electric plant instruction 6.)

NOTE.—Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. (See account 364, Poles, Towers and Fixtures, and account 365, Overhead Conductors and Devices.)

361. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See electric plant instruction 7.)

362. Station Equipment.

This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution.

ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connectors.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.

12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, disconnect switches.

NOTE.—The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in account 373, Street Lighting and Signal Systems.

363. Storage Battery Equipment.

This account shall include the cost installed of storage battery equipment used for the purpose of supplying electricity to meet emergency or peak demands.

ITEMS

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and connections.
3. Battery room flooring, when specially laid for supporting batteries.
4. Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including end-cell switches and connections, boards and panels, used exclusively for battery control, not part of general station switchboard.
7. Ventilating equipment, including fans and motors, louvers, and ducts not part of building.

NOTE.—Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

364. Poles, Towers and Fixtures.

This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

ITEMS

1. Anchors, head, arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Foundations.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction.

11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other material.
13. Racks complete with insulators.
14. Railings.
15. Reinforcing and stubbing.
16. Settings.
17. Shaving, painting, gaining, roofing, stenciling, and tagging.
18. Towers.
19. Transformer racks and platforms.

365. Overhead Conductors and Devices.

This account shall include the cost installed of overhead conductors and devices used for distribution purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps.
5. Lightning arresters.
6. Railroad and highway crossing guards.
7. Splices.
8. Switches.
9. Tree trimming, initial cost including the cost of permits therefor.
10. Other line devices.

NOTE.—The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in account 373, Street Lighting and Signal Systems.

366. Underground Conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

ITEMS

1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.

9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

NOTE.—The cost of underground conduit used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

367. Underground Conductors and Devices.

This account shall include the cost installed of underground conductors and devices used for distribution purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

NOTE.—The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

368. Line Transformers.

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

B. When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

1. Installation, labor of (first installation only).
2. Transformer cut-out boxes.
3. Transformer lightning arresters.
4. Transformers, line and network.

NOTE.—The cost of removing and resetting line transformers shall not be charged to this account but to account 583, Overhead Line Expenses, or account 584, Underground Line Expenses, as appropriate. The cost of line transformers used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

369. Services.

This account shall include the cost installed of overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

ITEMS

1. Brackets.
2. Cables and wires.
3. Conduit.
4. Insulators.
5. Municipal inspection.
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Service switch.
11. Suspension wire.

370. Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the installed cost thereof shall be credited to this account.

C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various capacities in service and in reserve as well as the location of each meter owned.

ITEMS

1. Alternating current watt-hour meters.
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters.
6. Graphic demand meters.
7. Installation, labor of (first installation only).
8. Instrument transformers.
9. Maximum demand meters.
10. Meter badges and their attachments.
11. Meter boards and boxes.
12. Meter fittings, connections, and shelves (first set).
13. Meter switches and cut-outs.
14. Prepayment meters.
15. Protective devices.
16. Testing new meters.

NOTE A.—This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers.

NOTE B.—The cost of removing and resetting meters shall be charged to account 586, Meter Expenses.

371. Installations on Customers' Premises.

This account shall include the cost installed of equipment on the customers' side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include leased equipment, for which see account 372, Leased Property on Customers' Premises.

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and settings specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high or low tension.
8. Wire and cable connections to incoming cables.

NOTE.—Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

372. Leased Property on Customers' Premises.

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased or loaned to customers, but not including property held for sale.

NOTE A.—The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expenses, account 587, Customer Installations Expenses.

NOTE B.—Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

373. Street Lighting and Signal Systems.

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or fabric covered, parkway cables, etc., including splices, insulators, etc.
4. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection.
6. Ornamental lamp posts.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Posts and standards.
10. Protection of street openings.
11. Relays or time clocks.
12. Series contactors.
13. Switches.
14. Transformers, pole or underground.

5. GENERAL PLANT**389. Land and Land Rights.**

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See electric plant instruction 6.)

390. Structures and Improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly

includible in other structures and improvements accounts. (See electric plant instruction 7.)

391. Office Furniture and Equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

ITEMS

1. Book cases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

392. Transportation Equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

393. Stores Equipment.

This account shall include the cost of equipment used for the receiving, shipping, handling and storage of materials and supplies.

ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.

9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394. Tools, Shop and Garage Equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Drill presses.
10. Derricks.
11. Electric equipment.
12. Engines.
13. Forges.
14. Furnaces.
15. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided.
16. Gas producers.
17. Gasoline pumps, oil pumps and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

395. Laboratory Equipment.

This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specifically provided for or includible in other departmental or functional plant accounts.

ITEMS

1. Ammeters.
2. Current batteries.
3. Frequency changers.
4. Galvanometers.
5. Inductometers.
6. Laboratory standard millivolt meters.
7. Laboratory standard volt meters.
8. Meter-testing equipment.
9. Millivolt meters.
10. Motor generator sets.
11. Panels.
12. Phantom loads.
13. Portable graphic ammeters, voltmeters, and wattmeters.
14. Portable loading devices.
15. Potential batteries.
16. Potentiometers.
17. Rotating standards.
18. Standard cell, reactance, resistor, and shunt.
19. Switchboards.
20. Synchronous timers.
21. Testing panels.
22. Testing resistors.
23. Transformers.
24. Voltmeters.
25. Other testing, laboratory, or research equipment not provided for elsewhere.

396. Power Operated Equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machines.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machines.
10. Pipe coating or wrapping machines.
11. Tractors—crawler type.
12. Trenchers.
13. Other power operated equipment.

NOTE.—It is intended that this account include only such large units as are generally self-propelled or mounted on moveable equipment.

397. Communication Equipment.

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with utility operations.

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs.
7. Handsets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators' desk.
12. Poles and fixtures used wholly for telephone or telegraph wires.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries.
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

398. Miscellaneous Equipment.

This account shall include the cost of equipment, apparatus, etc., used in utility operations, which is not includible in any other account of this system of accounts.

ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operator's cottage furnishings.
8. Other miscellaneous equipment.

NOTE.—Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts on a functional basis.

399. Other Tangible Property.

This account shall include the cost of tangible utility plant not provided for elsewhere.

INCOME ACCOUNTS**1. UTILITY OPERATING INCOME**

- 400 Operating Revenues
- Operating Expenses:
- 401 Operation Expense
- 402 Maintenance Expense
- 403 Depreciation Expense
- 404 Amortization of Limited-Term Utility Plant
- 405 Amortization of Other Utility Plant
- 407 Amortization of Property Losses
- 408 Taxes Other Than Income Taxes
- 409 Income Taxes
- 410 Provision for Deferred Federal Income Taxes
- 411 Federal Income Taxes Deferred in Prior Years—Credit
- Total Operating Expenses
- Operating Income:
- 412 Income from Utility Plant Leased to Others
- 414 Other Utility Operating Income
- Total Operating Income

2. OTHER INCOME

- 415 Income from Merchandising, Jobbing and Contract Work
- 417 Income from Nonutility Operations
- 418 Nonoperating Rental Income
- 419 Interest and Dividend Income
- 421 Miscellaneous Nonoperating Income
- Total Other Income
- Total Income

3. MISCELLANEOUS INCOME DEDUCTIONS

- 425 Miscellaneous Amortization
- 426 Other Income Deductions
- Total Income Deductions
- Income Before Interest Charges

4. INTEREST CHARGES

- 427 Interest on Long-Term Debt
- 428 Amortization of Debt Discount and Expense
- 429 Amortization of Premium on Debt—Cr.
- 430 Interest on Debt to Associated Companies
- 431 Other Interest Expense
- 432 Interest Charged to Construction—Cr.
- Total Interest Charges
- Net Income

5. EARNED SURPLUS

- 216 Unappropriated Earned Surplus (at beginning of period)
- 433 Balance Transferred from Income
- 434 Miscellaneous Credits to Surplus
- 435 Miscellaneous Debits to Surplus
- 436 Appropriations of Surplus
- 437 Dividends Declared—Preferred Stock
- 438 Dividends Declared—Common Stock
- 216 Unappropriated Earned Surplus (at end of period)

1. UTILITY OPERATING INCOME**400. Operating Revenues.**

There shall be shown under this caption the total amount included in the operating revenue accounts provided herein, and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

401. Operation Expense.

There shall be shown under this caption the total amount included in the operation expense accounts provided herein, and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department. (See note to operating expense instruction 3.)

402. Maintenance Expense.

There shall be shown under this caption the total amount included in the maintenance expense accounts provided herein, and in similar accounts for other utility departments. Separate subaccounts shall be maintained for each utility department.

403. Depreciation Expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable utility plant in service except such depreciation expense as is chargeable to clearing accounts or to account 415, Income from Merchandising, Jobbing, and Contract Work.

B. If the utility is engaged in more than one utility service, a separate account shall be kept hereunder for each utility service.

NOTE A.—Depreciation expense applicable to property included in account 104, Utility Plant Leased to Others, shall be charged to account 412, Income from Utility Plant Leased to Others.

NOTE B.—Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

404. Amortization of Limited-Term Utility Plant.

This account shall include amortization charges applicable to amounts included in the utility plant accounts for licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by the provisions of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 257, Reserve for Amortization of Utility Plant in Service.)

405. Amortization of Other Utility Plant.

A. When authorized by the Department, this account shall include charges for amortization of intangible or other utility plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

407. Amortization of Property Losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Department has authorized the amount in the latter account to be amortized by charges to operating expenses.

408. Taxes Other Than Income Taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to utility operations, except income taxes.

B. This account shall be charged in each accounting period with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made.

D. If the utility has elected the policy of deferring franchise tax payments concurrently with its adoption of deferred federal income taxes because of liberalized depreciation or accelerated amortization, such subaccounts may be raised hereunder to provide adequate information for:

- (a) Provision for Deferred Franchise Taxes.

This sub-account(s) would be debited and an appropriate sub-account under Miscellaneous Operating Reserves—

265, entitled Accumulated Deferred Franchise Taxes—Accelerated Amortization or Accumulated Deferred Franchise Taxes—Liberalized Depreciation would be credited. There should not be netted against entries required to be made to this sub-account(s) any credit amounts appropriately includible in Franchise Taxes Deferred in Prior Years—Credit.

- (b) Franchise Taxes Deferred in Prior Years—Credit.

This sub-account(s) would be debited and Accumulated Deferred Franchise Taxes—Accelerated Amortization or Accumulated Deferred Franchise Taxes—Liberalized Depreciation credited with an amount equal to the portion of the franchise tax payable for the year that is attributable to such deferrals of franchise taxes in a prior year. There should not be netted against entries required to be made to this sub-account(s) any credit amounts appropriately includible in Provision for Deferred Franchise Taxes.

NOTE A.—Taxes applicable to nonutility property or investments shall be charged to the account in which the income from the property or investments is included.

NOTE B.—Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C.—Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D.—Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

NOTE E.—Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE F.—Social security and other forms of so-called payroll taxes applicable to construction shall be charged to the appropriate plant account.

409. Income Taxes.

This account shall include the amount of federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

410. Provision for Deferred Federal Income Taxes.

This account shall be debited, and account 267, Reserve for Deferred Federal Income Taxes—Accelerated Amortization or account 268, Reserve for Deferred Federal Income Taxes—Liberalized Depreci-

ation, as appropriate, shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 267 or 268. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411, Federal Income Taxes Deferred in Prior Years—Credit.

411. Federal Income Taxes Deferred in Prior Years—Credit.

This account shall be credited and account 267, Reserve for Deferred Federal Income Taxes—Accelerated Amortization or account 268, Reserve for Deferred Federal Income Taxes—Liberalized Depreciation, as appropriate, shall be debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 267 or 268. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410, Provision for Deferred Federal Income Taxes.

412. Income from Utility Plant Leased to Others.

A. This account shall include respectively, revenues from utility property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Utility Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation.	Amortization.
Maintenance.	Taxes other than Income Taxes.
Rents.	Income Taxes.
Depreciation.	

414. Other Utility Operating Income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of other utility plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415. Income from Merchandising, Jobbing, and Contract Work.

A. This account shall include respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including

any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and those expenses applicable to such activities.

B. Records in support of this account shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

ITEMS

Revenues:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Labor:

1. All labor assignable to merchandise activities.
2. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
3. Installing wiring, piping, or other property work, on a jobbing or contract basis.
4. Preparing advertising materials for appliance sales purposes.
5. Receiving and handling customer orders for merchandise or for jobbing services.
6. Cleaning and tidying sales rooms.
7. Maintaining display counters and other equipment used in merchandising.
8. Arranging merchandise in sales rooms and decorating display windows.
9. Reconditioning repossessed appliances.
10. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.

Materials and Expenses:

11. Advertising in newspapers, periodicals, radio, television, etc.
12. Cost of merchandise sold and of materials used in jobbing work.
13. Stores expenses on merchandise and jobbing stocks.
14. Fees and expenses of advertising and commercial artists' agencies.
15. Printing booklets, dodgers, and other advertising data.
16. Premiums given as inducement to buy appliances.
17. Light, heat, and power.
18. Depreciation on equipment used primarily for merchandise and jobbing operations.
19. Rent of sales rooms or of equipment.
20. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
21. Stationery and office supplies and expenses.
22. Losses from uncollectible merchandise and jobbing accounts.

417. Income from Nonutility Operations.

A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.	Amortization.
Maintenance.	Taxes other than Income Taxes.
Rents.	Income Taxes.
Depreciation.	

418. Nonoperating Rental Income.

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by account 417, Income from Nonutility Operations.

B. The expenses shall include all elements of costs incurred in the ownership and rental of property and the account shall be maintained so as to permit ready summarization as follows:

Operation.	Amortization.
Maintenance.	Taxes other than Income Taxes.
Rents.	Income Taxes.
Depreciation.	

419. Interest and Dividend Income.

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, including operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon shall be charged hereto.

NOTE. Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

421. Miscellaneous Nonoperating Income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See electric plant instruction 6c).
2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS**425. Miscellaneous Amortization.**

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Department.
2. Amortization of capital stock expenses when in accordance with a systematic amortization program.

426. Other Income Deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

4. INTEREST CHARGES**427. Interest on Long-Term Debt.**

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE.—This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428. Amortization of Debt Discount and Expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429. Amortization of Premium on Debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430. Interest on Debt to Associated Companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431. Other Interest Expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of the utility and assumed by it.

432. Interest Charged to Construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. (See electric plant instruction 3(17).)

5. EARNED SURPLUS**433. Balance Transferred from Income.**

This account shall include the net credit or debit transferred from income for the year.

434. Miscellaneous Credits to Surplus.

This account shall include credits affecting earned surplus not provided for elsewhere, when such credits are significant. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits as provided in general instruction 6.
2. Profit on reacquisition or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435. Miscellaneous Debits to Surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere, when such debits are significant. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits as provided in general instruction 6.
3. Loss on reacquisition or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.

5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Preliminary survey and investigation expenses on abandoned projects.
8. Income taxes occasioned by items included in account 434, Miscellaneous Credits to Surplus.
9. Charges from retirement of reacquired capital stock.

436. Appropriations of Surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of the Department.
3. Miscellaneous appropriations of income made at option of the utility for specified purposes.
4. Surplus invested in plant.

437. Dividends Declared—Preferred Stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

B. Dividends shall be segregated for each class and series of preferred stock.

438. Dividends Declared—Common Stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.

OPERATING REVENUE ACCOUNTS**1. SALES OF ELECTRICITY**

- 440 Residential Sales
- 442 Commercial and Industrial Sales
- 444 Public Street and Highway Lighting
- 445 Other Sales to Public Authorities
- 446 Sales to Railroads and Railways
- 447 Sales for Resale
- 448 Interdepartmental Sales
- 449 Miscellaneous Electric Sales

2. OTHER OPERATING REVENUES

- 450 Forfeited Discounts
- 451 Miscellaneous Service Revenues
- 453 Sales of Water and Water Power
- 454 Rent from Electric Property
- 455 Interdepartmental Rents
- 456 Other Electric Revenues

1. SALES OF ELECTRICITY

440. Residential Sales.

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

NOTE.—When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

442. Commercial and Industrial Sales.

A. This account shall include the net billing for electricity supplied to customers for commercial and industrial purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available. Records shall be maintained also so as to show separately the revenues from commercial and industrial customers (a) which have demands generally of 1000 kw or more, and (b) those which have demands generally less than 1000 kw. Reasonable deviations above or below the 1000 kw demand are permissible in order that transfers of customers between the two classes during the year may be minimized.

NOTE A.—If the utility classifies large commercial and industrial customers and related revenues on a lesser basis than 1000 kilowatts of demand, or segregates industrial customers and related revenues according to a recognized definition of an industrial customer, such classifications are acceptable in lieu of those otherwise required by the text of this account on the basis of 1000 kilowatts of demand.

NOTE B.—When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to the principal use.

444. Public Street and Highway Lighting.

A. This account shall include the net billing for electricity supplied and services rendered for the purpose of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily

available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

445. Other Sales to Public Authorities.

A. This account shall include the net billing for electricity supplied to municipalities or divisions or agencies of federal or state governments, under special contracts or agreements or service classifications applicable only to public authorities, except such revenues as are includible in account 444, Public Street and Highway Lighting, and account 447, Sales for Resale.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

446. Sales to Railroads and Railways.

A. This account shall include the net billing for electricity supplied to railroads and interurban and street railways, for general railroad use, including the propulsion of cars or locomotives, where such electricity is supplied under separate and distinct rate schedules.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available.

NOTE.—Revenues from incidental use of electricity furnished under a contract for propulsion of cars or locomotives shall be included herein.

447. Sales for Resale.

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer.

NOTE.—Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448. Interdepartmental Sales.

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

449. Miscellaneous Electric Sales.

This account shall include all revenues from sales of electric energy not properly includible in any of the preceding accounts, including unbilled sales.

2. OTHER OPERATING REVENUES**450. Forfeited Discounts.**

This account shall include the amount of discounts forfeited or additional charges imposed because of failure of customers to pay their electric bills on or before a specified date.

451. Miscellaneous Service Revenues.

This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

1. Fees for changing, connecting, or disconnecting service.
2. Profit on maintenance of appliances, wiring, piping or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year. (See account 185, Temporary Facilities.)
4. Recovery of expenses in connection with current diversion cases (billing for the electricity consumed shall be included in the appropriate electric revenue account).

453. Sales of Water and Water Power.

A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power or for headwater benefits; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as utility plant in service.

B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used.

454. Rent from Electric Property.

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to electric operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

NOTE.—Do not include in this account rents from property constituting an operating unit or system. (See account 412, Income from Utility Plant Leased to Others.)

455. Interdepartmental Rents.

This account shall include rents credited to the electric department if rental charges are made against other departments (gas, water, etc.) of the utility. In the case of property operated under a definite arrangement to allocate the costs among the departments using the property, any reimbursement to the electric department for interest or return and depreciation and taxes shall be credited to this account.

456. Other Electric Revenues.

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

ITEMS

1. Commission on sale or distribution of electricity of others when sold under rates filed by such others.
2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
4. Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.
5. Revenues from transmission of electricity of others over transmission facilities of the utility.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

CLASS A COMPANIES

1. POWER PRODUCTION EXPENSES

A. Steam Power Generation

Operation

- 500 Operation Supervision and Engineering
- 501 Fuel
- 502 Steam Expenses
- 503 Steam from Other Sources
- 504 Steam Transferred—Cr.
- 505 Electric Expenses
- 506 Miscellaneous Steam Power Expenses
- 507 Rents

Maintenance

- 510 Maintenance Supervision and Engineering
- 511 Maintenance of Structures
- 512 Maintenance of Boiler Plant
- 513 Maintenance of Electric Plant
- 514 Maintenance of Miscellaneous Steam Plant

B. Nuclear Power Generation

Operation

- 517 Operation Supervision and Engineering
- 518 Fuel
- 519 Coolants and Water
- 520 Steam Expenses
- 521 Steam from Other Sources
- 522 Steam Transferred—Cr.
- 523 Electric Expenses
- 524 Miscellaneous Nuclear Power Expenses
- 525 Rents

Maintenance

- 528 Maintenance Supervision and Engineering
- 529 Maintenance of Structures

- 530 Maintenance of Reactor Plant Equipment
- 531 Maintenance of Electric Plant
- 532 Maintenance of Miscellaneous Nuclear Plant

C. Hydraulic Power Generation

Operation

- 535 Operation Supervision and Engineering
- 536 Water for Power
- 537 Hydraulic Expenses
- 538 Electric Expenses
- 539 Miscellaneous Hydraulic Power Generation Expenses
- 540 Rents

Maintenance

- 541 Maintenance Supervision and Engineering
- 542 Maintenance of Structures
- 543 Maintenance of Reservoirs, Dams and Waterways
- 544 Maintenance of Electric Plant
- 545 Maintenance of Miscellaneous Hydraulic Plant

D. Other Power Generation

Operation

- 546 Operation Supervision and Engineering
- 547 Fuel
- 548 Generation Expenses
- 549 Miscellaneous Other Power Generation Expenses
- 550 Rents

Maintenance

- 551 Maintenance Supervision and Engineering
- 552 Maintenance of Structures
- 553 Maintenance of Generating and Electric Plant
- 554 Maintenance of Miscellaneous Other Power Generation Plant

E. Other Power Supply Expenses

Operation

- 555 Purchased Power
- 556 System Control and Load Dispatching
- 557 Other Expenses

2. TRANSMISSION EXPENSES**Operation**

- 560 Operation Supervision and Engineering
- 561 Load Dispatching
- 562 Station Expenses
- 563 Overhead Line Expenses
- 564 Underground Line Expenses
- 565 Transmission of Electricity by Others
- 566 Miscellaneous Transmission Expenses
- 567 Rents

Maintenance

- 568 Maintenance Supervision and Engineering
- 569 Maintenance of Structures
- 570 Maintenance of Station Equipment
- 571 Maintenance of Overhead Lines
- 572 Maintenance of Underground Lines
- 573 Maintenance of Miscellaneous Transmission Plant

3. DISTRIBUTION EXPENSES**Operation**

- 580 Operation Supervision and Engineering
- 581 Load Dispatching
- 582 Station Expenses
- 583 Overhead Line Expenses
- 584 Underground Line Expenses
- 585 Street Lighting and Signal System Expenses
- 586 Meter Expenses
- 587 Customer Installations Expenses
- 588 Miscellaneous Distribution Expenses
- 589 Rents

Maintenance

- 590 Maintenance of Supervision and Engineering
- 591 Maintenance of Structures
- 592 Maintenance of Station Equipment
- 593 Maintenance of Overhead Lines
- 594 Maintenance of Underground Lines
- 595 Maintenance of Line Transformers
- 596 Maintenance of Street Lighting and Signal Systems
- 597 Maintenance of Meters
- 598 Maintenance of Miscellaneous Distribution Plant

4. CUSTOMER ACCOUNTS EXPENSES**Operation**

- 901 Supervision
- 902 Meter Reading Expenses
- 903 Customer Records and Collection Expenses
- 904 Uncollectible Accounts
- 905 Miscellaneous Customer Accounts Expenses

5. SALES EXPENSES**Operation**

- 911 Supervision
- 912 Demonstrating and Selling
- 913 Advertising Expenses
- 916 Miscellaneous Sales Expenses

6. ADMINISTRATIVE AND GENERAL EXPENSES**Operation**

- 920 Administrative and General Salaries
- 921 Office Supplies and Expenses
- 922 Administrative Expenses Transferred—Cr.
- 923 Outside Services Employed
- 924 Property Insurance
- 925 Injuries and Damages
- 926 Employee Pensions and Benefits
- 928 Regulatory Commission Expenses
- 929 Duplicate Charges—Cr.
- 930 Miscellaneous General Expenses
- 931 Rents

Maintenance

- 932 Maintenance of General Plant

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

CLASS B COMPANIES

1. POWER PRODUCTION EXPENSES

A. Steam Power Generation

Operation

- 500 Operation Supervision and Engineering
- 501 Fuel
- 502 Operation Labor and Expenses
- 503 Steam from Other Sources
- 504 Steam Transferred—Cr.
- 507 Rents

Maintenance

- 510 Maintenance of Steam Production Plant

C. Hydraulic Power Generation

Operation

- 535 Operation Supervision and Engineering
- 536 Water for Power
- 537 Operation Labor and Expenses
- 540 Rents

Maintenance

- 541 Maintenance of Hydraulic Production Plant

D. Other Power Generation

Operation

- 546 Operation Supervision and Engineering
- 547 Fuel
- 548 Operation Labor and Expenses
- 550 Rents

Maintenance

- 551 Maintenance of Other Power Production Plant

E. Other Power Supply Expenses

Operation

- 555 Purchased Power
- 557 Other Expenses

2. TRANSMISSION EXPENSES

Operation

- 560 Operation Supervision and Engineering
- 561 Operation Labor and Expenses
- 567 Rents

Maintenance

- 568 Maintenance of Transmission Plant

3. DISTRIBUTION EXPENSES

Operation

- 580 Operation Supervision and Engineering
- 581 Operation Labor
- 582 Operation Supplies and Expenses
- 585 Street Lighting and Signal System Expenses
- 586 Meter Expenses
- 587 Customer Installations Expenses
- 588 Miscellaneous Distribution Expenses
- 589 Rents

Maintenance

- 590 Maintenance of Structures and Equipment
- 593 Maintenance of Lines
- 595 Maintenance of Line Transformers
- 596 Maintenance of Street Lighting and Signal Systems
- 597 Maintenance of Meters
- 598 Maintenance of Miscellaneous Distribution Plant

4. CUSTOMER ACCOUNTS EXPENSES

Operation

- 902 Meter Reading Labor and Expenses
- 903 Accounting and Collecting Labor and Expenses
- 904 Uncollectible Accounts
- 905 Miscellaneous Customer Accounts Expenses

5. SALES EXPENSES**Operation**

911 Sales Expenses

6. ADMINISTRATIVE AND GENERAL EXPENSES**Operation**

920 Administrative and General Salaries
 921 Office Supplies and Expenses
 922 Administrative Expenses Transferred—Cr.
 923 Outside Services Employed
 924 Property Insurance
 925 Injuries and Damages
 926 Employee Pensions and Benefits
 928 Regulatory Commission Expenses
 929 Duplicate Charges—Cr.
 930 Miscellaneous General Expenses
 931 Rents
 933 Transportation Expenses

Maintenance

932 Maintenance of General Plant

1. POWER PRODUCTION EXPENSES**A. Steam Power Generation****Operation****500. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of steam power generating stations. Direct supervision of specific activities, such as fuel handling, boiler room operations, generator operations, etc., shall be charged to the appropriate account. (See operating expenses instruction 1.)

501. Fuel.

A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler-house structure. Records shall be maintained to show the quantity, B.t.u. content and cost of each type of fuel used.

B. The cost of fuel shall be charged initially to account 151, Fuel, and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to account 152, Fuel Stock Expenses. In the latter event, they shall be cleared to this account on the basis of the fuel used.

ITEMS**Labor:**

1. Supervising purchasing and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring fuel from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler-house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Materials and Expenses:

7. Cost of fuel including freight, switching, demurrage and other transportation charges.
8. Excise taxes, insurance, purchasing commissions and similar items.
9. Stores expenses to extent applicable to fuel.

10. Transportation and other expenses in moving fuel in storage.
11. Tools, lubricants and other supplies.
12. Operating supplies for mechanical equipment.
13. Residual disposal expenses less any proceeds from sale of residuals.

NOTE.—Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

502. Steam Expenses.

This account shall include the cost of labor, materials used and expenses incurred in production of steam for electric generation. This includes all expenses of handling and preparing fuel beginning at the point where the fuel enters the first boiler plant bunker, hopper, tank or holder of the boiler-house structure.

ITEMS

Labor:

1. Supervising steam production.
2. Operating fuel conveying, storage, weighing and processing equipment within boiler plant.
3. Operating boiler and boiler auxiliary equipment.
4. Operating boiler feed water purification and treatment equipment.
5. Operating ash-collecting and disposal equipment located inside the plant.
6. Operating boiler plant electrical equipment.
7. Keeping boiler plant log and records and preparing reports on boiler plant operation.
8. Testing boiler water.
9. Testing, checking, and adjusting meters, gauges, and other instruments and equipment in boiler plant.
10. Cleaning boiler plant equipment when not incidental to maintenance work.
11. Repacking glands and replacing gauge glasses where the work involved is of a minor nature and is performed by regular operating crews. Where the work is of a major character, such as that performed on high-pressure boilers, the item should be considered as maintenance.

Materials and Expenses:

12. Chemicals and boiler inspection fees.
13. Lubricants.
14. Boiler feed water purchased and pumping supplies.

503. Steam from Other Sources.

This account shall include the cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating arrangement, for use in prime movers devoted to the production of electricity.

NOTE.—The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another department or from others under a joint operating arrangement, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charge to electric generation and the extent and manner of use by each department or party involved.

504. Steam Transferred—Cr.

A. This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of determination of the cost of steam transferred shall be maintained.

B. If the charges to others or to other departments of the utility include an amount for depreciation, taxes, and return on the joint steam facilities, such portion of the charge shall be credited, in the case of others, to account 454, Rent from Electric Property, and in the case of other departments of the utility, to account 455, Interdepartmental Rents.

505. Electric Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators, and their auxiliary apparatus, switch gear and other electric equipment to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising electric production.
2. Operating turbines, engines, generators and exciters.
3. Operating condensers, circulating water systems and other auxiliary apparatus.
4. Operating generator cooling system.
5. Operating lubrication and oil control system, including oil purification.
6. Operating switchboards, switch gear and electric control and protective equipment.
7. Keeping electric plant log and records and preparing reports on electric plant operations.
8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.
9. Cleaning electric plant equipment when not incidental to maintenance work.
10. Repacking glands and replacing gauge glasses.

Materials and Expenses:

11. Lubricants and control system oils.
12. Generator cooling gases.
13. Circulating water purification supplies.
14. Cooling water purchased.
15. Motor and generator brushes.

506. Miscellaneous Steam Power Expenses

This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other steam generation operation expense accounts.

ITEMS**Labor:**

1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard.
3. Building service.
4. Care of grounds including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:

6. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
7. First-aid supplies and safety equipment.
8. Employees' service facilities expenses.
9. Building service supplies.
10. Communication service.
11. Miscellaneous office supplies and expenses, printing and stationery.
12. Transportation expenses.
13. Meals, traveling and incidental expenses.

507. Rents.

This account shall include all rents of property of others used, occupied or operated in connection with steam power generation. (See operating expense instruction 3.)

Maintenance**510. Maintenance Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of steam generation facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

511. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam structures, the book cost of which is includible in account 311, Structures and Improvements. (See operating expense instruction 2.)

512. Maintenance of Boiler Plant.

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam plant, the book cost of which is includible in account 312, Boiler Plant Equipment. (See operating expense instruction 2.)

B. For the purpose of making charges hereto and to account 513, Maintenance of Electric Plant, the point at which steam plant is distinguished from electric plant is defined as follows:

- a. Inlet flange of throttle valve on prime mover.
- b. Flange of all steam extraction lines on prime mover.
- c. Hotwell pump outlet on condensate lines.
- d. Inlet flange of all turbine-room auxiliaries.
- e. Connection to line side of motor starter for all boiler-plant equipment.

513. Maintenance of Electric Plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in account 313, Engines and Engine-Driven Generators, account 314, Turbogenerator Units, and account 315, Accessory Electric Equipment. (See operating expense instruction 2 and paragraph B of account 512, Maintenance of Boiler Plant.)

514. Maintenance of Miscellaneous Steam Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous steam generation plant, the book cost of which is includible in account 316, Miscellaneous Power Plant Equipment. (See operating expense instruction 2.)

B. Nuclear Power Generation**Operation****517. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of nuclear power generating stations. Direct supervision of specific activities, such as

fuel handling, reactor operations, generator operations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

518. Fuel.

A. This account shall include fuel costs for the production of steam in the generation of electricity by nuclear process. (See accounts 157, Nuclear Fuel Assemblies and Components—In Reactor, 158, Nuclear Fuel Assemblies and Components—Stock, and 159, Nuclear Byproduct Materials.)

B. Records supporting entries to this account shall be so kept that the utility can furnish the basis of computations and amounts of the individual fuel cost items. The records shall be so maintained that the fuel cost may be readily classified as to use charges, nuclear fuel burn-up, consumption of non-nuclear materials, net plutonium and other nuclear materials formed—credit, provision for chemical processing, and cost of non-nuclear fuel, if any, used for steam superheat facilities.

ITEMS

1. Use charge for nuclear materials in service, in reserve, in cooling, or in chemical processing.
2. Amortization of costs of fuel assemblies and components in use.
3. Burn-up of nuclear fuel.
4. Chemical processing of fuel assemblies including charges for converting recovered materials into a form acceptable to a supplier of nuclear materials, disposal of chemical processing wastes and for transportation of materials.
5. Plutonium and other nuclear materials—credit.
6. Oil, gas, coal or other fuel used in auxiliary steam superheat facilities, at cost delivered to station.

NOTE.—The utility shall adopt the necessary accounting procedures to assure that charges to this account shall, so far as practicable, be accurately distributed to accounting periods. Where computed amounts are derived from estimates, corrections of this account shall be made promptly when it is ascertained that significant revisions of the estimates are necessary. Where significant delayed adjustments are necessary, such adjustments shall be made in accordance with the provisions of General Instruction 6, Delayed Items.

519. Coolants and Water.

This account shall include the cost of labor, materials used and expenses incurred for heat transfer materials and water used for steam and cooling purposes.

ITEMS

Labor:

1. Operation of water supply facilities.
2. Handling of coolants and heat transfer materials.

Materials and Expenses:

3. Chemicals.
4. Additions to or refining of, fluids used in reactor system.
5. Lubricants.
6. Pumping supplies and expenses.
7. Miscellaneous supplies and expenses.
8. Purchased water.

NOTE.—Do not include in this account water for general station use or the initial charge for coolants, heat transfer or moderator fluids, chemicals or other supplies capitalized.

520. Steam Expenses.

This account shall include the cost of labor, materials used and expenses incurred in production of steam through nuclear processes, and similar expenses for operation of any auxiliary superheat facilities.

ITEMS

Labor:

1. Supervising steam production.
2. Fuel handling including removal, insertion, disassembly and preparation for cooling operations and shipment.
3. Testing instruments and gauges.
4. Health, safety, monitoring and decontamination activities.
5. Waste disposal.
6. Operating steam boilers and auxiliary steam superheat facilities.

Materials and Expenses:

7. Chemical supplies.
8. Charts, logs, etc.
9. Health, safety, monitoring and decontamination supplies.
10. Boiler inspection fees.
11. Lubricants.

521. Steam from Other Sources.

This account shall include the cost of steam purchased or transferred from another department of the utility or from others under a joint facility operating arrangement for use in prime movers devoted to the production of electricity.

NOTE.—The records shall be so kept as to show separately, for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another operating department, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charges to electric generation, and the extent and manner of use by each department involved.

522. Steam Transferred—Cr.

A. This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam

expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of determination of the cost of steam transferred shall be maintained.

B. If the charges to others or to other departments of the utility include an amount for depreciation, taxes and return on the joint steam facilities, such portion of the charge shall be credited, in the case of others, to account 454, Rent from Electric Property, and in the case of other departments of the utility, to account 455, Interdepartmental Rents.

523. Electric Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating turbogenerators, steam turbines and their auxiliary apparatus, switch gear and other electric equipment to the points where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising electric production.
2. Operating turbines, engines, generators and exciters.
3. Operating condensers, circulating water systems and other auxiliary apparatus.
4. Operating generator cooling system.
5. Operating lubrication and oil control system, including oil purification.
6. Operating switchboards, switch gear and electric control and protective equipment.
7. Keeping plant log and records and preparing reports on electric plant operations.
8. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in the electric plant.
9. Cleaning electric plant equipment when not incidental to maintenance.
10. Repacking glands and replacing gauge glasses.

Materials and Expenses:

11. Lubricants and control system oils.
12. Generator cooling gases.
13. Log sheets and charts.
14. Motor and generator brushes.

524. Miscellaneous Nuclear Power Expenses.

This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other nuclear generation operation accounts.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Plant security.
3. Building service.
4. Care of grounds, including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:

6. General operating supplies, such as tools, gaskets, hose, indicating lamps, record and report forms, etc.
7. First-aid supplies and safety equipment.
8. Employees' service facilities expenses.
9. Building service supplies.
10. Communication service.
11. Miscellaneous office supplies and expenses, printing and stationery.
12. Transportation expenses.
13. Meals, traveling and incidental expenses.

525. Rents.

This account shall include all rents of property of others used, occupied or operated in connection with nuclear generation. (See operating expense instruction 3.)

Maintenance

528. Maintenance Supervision and Engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of nuclear generation facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

529. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 321, Structures and Improvements. (See operating expense instruction 2.)

530. Maintenance of Reactor Plant Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of reactor plant, the book cost of which is includible in account 322, Reactor Plant Equipment. (See operating expense instruction 2.)

531. Maintenance of Electric Plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of electric plant, the book cost of which is includible in account 323, Turbogenerator Units, and account 324, Accessory Electric Equipment. (See operating expense instruction 2.)

532. Maintenance of Miscellaneous Nuclear Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of miscellaneous nuclear generating plant, the book cost of which is includible in account 325, Miscellaneous Power Plant Equipment. (See operating expense instruction 2.)

C. Hydraulic Power Generation**Operation****535. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of hydraulic power generating stations. Direct supervision of specific activities, such as hydraulic operation, generator operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

536. Water for Power.

This account shall include the cost of water used for hydraulic power generation.

ITEMS

1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.
5. Cloud seeding.

537. Hydraulic Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating hydraulic works including reservoirs, dams and waterways, and in activities directly relating to the hydro-electric development outside the generating station.

ITEMS**Labor:**

1. Supervising hydraulic operation.
2. Removing debris and ice from trash racks, reservoirs and waterways.
3. Patrolling reservoirs and waterways.
4. Operating intakes, spillways, sluiceways, and outlet works.
5. Operating bubbler, heater or other de-icing systems.
6. Ice and log jam work.
7. Operating navigation facilities.
8. Operations relating to conservation of game, fish, forests, etc.
9. Insect control activities.

Materials and Expenses:

10. Insect control materials.
11. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
12. Supplies and expenses in conservation of game, fish, forests, etc.
13. Transportation expense.

538. Electric Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators, and their auxiliary apparatus, switchgear, and other electric equipment, to the point where electricity leaves for conversion for transmission or distribution.

ITEMS**Labor:**

1. Supervising electric production.
2. Operating prime movers, generators, and auxiliary equipment.
3. Operating generator cooling system.
4. Operating lubrication and oil control system, including oil purification.
5. Operating switchboards, switchgear, and electric control and protection equipment.
6. Keeping plant log and records and preparing reports on plant operations.
7. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
8. Cleaning plant equipment when not incidental to maintenance work.
9. Repacking glands.

Materials and Expenses:

10. Lubricants and control system oils.
11. Motor and generator brushes.

539. Miscellaneous Hydraulic Power Generation Expenses.

This account shall include the cost of labor, materials used and expenses incurred which are not specifically provided for or are not readily assignable to other hydraulic generation operation expense accounts.

ITEMS**Labor:**

1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard.
3. Building service.
4. Care of grounds including snow removal, cutting grass, etc.
5. Snow removal from roads and bridges.
6. Miscellaneous labor.

Materials and Expenses:

7. General operating supplies, such as tools, gaskets, packing, waste, hose, indicating lamps, record and report forms, etc.
8. First-aid supplies and safety equipment.
9. Employees' service facilities expenses.
10. Building service supplies.
11. Communication service.
12. Office supplies, printing and stationery.
13. Transportation expenses.
14. Fuel.
15. Meals, traveling and incidental expenses.

540. Rents.

This account shall include all rents of property of others used, occupied or operated in connection with hydraulic power generation, including amounts payable to the United States for the occupancy of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, power houses, etc., but not including transmission right of way. (See operating expense instruction 3.)

541. Maintenance Supervision and Engineering.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of hydraulic power generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

542. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of hydraulic structures, the book

cost of which is includible in account 331, Structures and Improvements. (See operating expense instruction 2.)

543. Maintenance of Reservoirs, Dams and Waterways.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant includible in account 332, Reservoirs, Dams and Waterways. (See operating expense instruction 2.)

544. Maintenance of Electric Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant includible in account 333, Water Wheels, Turbines and Generators, and account 334, Accessory Electric Equipment. (See operating expense instruction 2.)

545. Maintenance of Miscellaneous Hydraulic Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 335, Miscellaneous Power Plant Equipment, and account 336, Roads, Railroads and Bridges. (See operating expense instruction 2.)

D. Other Power Generation.**Operation****546. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other power generating stations. Direct supervision of specific activities, such as fuel handling, engine and generator operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

547. Fuel.

This account shall include the cost delivered at the station (see account 151, Fuel) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

548. Generation Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating prime movers, generators and electric equipment in other power generating stations, to the point where electricity leaves for conversion for transmission or distribution.

ITEMS

Labor:

1. Supervising other power generation operation.
2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
3. Keeping plant log and records and preparing reports on plant operations.
4. Testing, checking, cleaning, oiling and adjusting equipment.

Materials and Expenses:

5. Dynamo, motor, and generator brushes.
6. Lubricants and control system oils.
7. Water for cooling engines and generators.

549. Miscellaneous Other Power Generation Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of other power generating stations which are not specifically provided for or are not readily assignable to other generation expense accounts.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Guarding and patrolling plant and yard.
3. Building service.
4. Care of grounds, including snow removal, cutting grass, etc.
5. Miscellaneous labor.

Materials and Expenses:

6. Building service supplies.
7. First-aid supplies and safety equipment.
8. Communication service.
9. Employees' service facilities expenses.
10. Office supplies, printing and stationery.
11. Transportation expense.
12. Meals, traveling and incidental expenses.
13. Fuel for heating.
14. Water for fire protection or general use.
15. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.

550. Rents.

This account shall include all rents of property of others used, occupied, or operated in connection with other power generation. (See operating expense instruction 3.)

Maintenance**551. Maintenance Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the maintenance of other power

generating stations. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

552. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of facilities used in other power generation, the book cost of which is includible in account 341, Structures and Improvements, and account 342, Fuel Holders, Producers and Accessories. (See operating expense instruction 2.)

553. Maintenance of Generating and Electric Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 343, Prime Movers, account 344, Generators, and account 345, Accessory Electric Equipment. (See operating expense instruction 2.)

554. Maintenance of Miscellaneous Other Power Generation Plant.

This account shall include the cost of labor, materials used and expense incurred in maintenance of other power generation plant, the book cost of which is includible in account 346, Miscellaneous Power Plant Equipment. (See operating expense instruction 2.)

E. Other Power Supply Expenses.**555. Purchased Power.**

A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak energy for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or interconnection agreements wherein there is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement.

B. The records supporting this account shall show, by months, the demands and demand charges, kilowatt-hours and prices thereof under each purchase contract and the charges and credits under each exchange or power pooling contract.

556. System Control and Load Dispatching.

This account shall include the cost of labor and expenses incurred in load dispatching activities for system control. Utilities having an interconnected electric system or operating under a central authority which controls the production and dispatching of electricity may apportion these costs to this account and accounts 561, Load Dispatching—Transmission, and 581, Load Dispatching—Distribution.

ITEMS**Labor:**

1. Allocating loads to plants and interconnections with others.
2. Direct switching.
3. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
4. Controlling system voltages.
5. Recording loadings, water conditions, etc.
6. Preparing operating reports and data for billing and budget purposes.
7. Obtaining reports on the weather and special events.

Expenses:

8. Communication service provided for system control purposes.
9. System record and report forms.
10. Meals, traveling and incidental expenses.
11. Obtaining weather and special events reports.

557. Other Expenses.

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. TRANSMISSION EXPENSES**Operation****560. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the transmission system as a whole. Direct supervision of specific activities,

such as station operation, line operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

561. Load Dispatching.

This account shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the transmission of electricity.

ITEMS**Labor:**

1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Obtaining reports on the weather and special events.
5. Preparing operating reports and data for billing and budget purposes.

Expenses:

6. Communication service provided for system control purposes.
7. System record and report forms.
8. Meals, traveling and incidental expenses.
9. Obtaining weather and special events reports.

562. Station Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating transmission substations and switching stations. If transmission station equipment is located in or adjacent to a generating station, the expenses applicable to transmission station operations shall nevertheless be charged to this account.

ITEMS**Labor:**

1. Supervising station operation.
2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.
3. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
4. Keeping station log and records and preparing reports on station operation.
5. Operating switching and other station equipment.
6. Standing watch, guarding, and patrolling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.

Materials and Expenses:

9. Building service expenses.
10. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
11. Station meter and instrument supplies, such as ink and charts.
12. Station record and report forms.
13. Tool expense.
14. Transportation expenses.
15. Meals, traveling and incidental expenses.

563. Overhead Line Expenses**564. Underground Line Expenses.**

A. These accounts shall include the cost of labor, materials used and expenses incurred in the operation of transmission lines.

B. If the expenses are not substantial for both overhead and underground lines, these accounts may be combined.

ITEMS

Labor:

1. Supervising line operation.
2. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.
3. Load tests of circuits.
4. Routine line patrolling.
5. Routine voltage surveys made to determine the condition or efficiency of transmission system.
6. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
7. Routine inspection and cleaning of manholes, conduit, network and transformer vaults.
8. Electrolysis surveys.
9. Inspecting and adjusting line-testing equipment, such as voltmeters, ammeters, wattmeters, etc.
10. Regulation and addition of oil or gas in high-voltage cable systems.

Materials and Expenses:

11. Transportation expenses.
12. Meals, traveling and incidental expenses.
13. Tool expenses.
14. Operating supplies, such as instrument charts, rubber goods, etc.

565. Transmission of Electricity by Others

This account shall include amounts payable to others for the transmission of the utility's electricity over transmission facilities owned by others.

566. Miscellaneous Transmission Expenses.

This account shall include the cost of labor, materials used and expenses incurred in transmission map and record work, transmission office expenses, and other transmission expenses not provided for elsewhere.

ITEMS

Labor:

1. General records of physical characteristics of lines and stations, such as capacities, etc.
2. Ground resistance records.
3. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
4. Joint pole maps and records.
5. Line load and voltage records.
6. Preparing maps and prints.
7. General clerical and stenographic work.
8. Miscellaneous labor.

Materials and Expenses:

9. Communication service.
10. Building service supplies.
11. Map and record supplies.
12. Transmission office supplies and expenses, printing and stationery.
13. First-aid supplies.

567. Rents.

This account shall include rents of property of others used, occupied, or operated in connection with the transmission system, including payments to the United States and others for use of public or private lands and reservations for transmission line rights of way. (See operating expense instruction 3.)

Maintenance**568. Maintenance Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the transmission system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

569. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 352, Structures and Improvements. (See operating expense instruction 2.)

570. Maintenance of Station Equipment.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of station equipment, the book cost of which is includible in account 353, Station Equipment. (See operating expense instruction 2.)

571. Maintenance of Overhead Lines.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 354, Towers and Fixtures, 355, Poles and Fixtures, 356, Overhead Conductors and Devices, 359, Roads and Trails. (See operating expense instruction 2.)

ITEMS

1. Work of the following character on poles, towers and fixtures:
 - a. Installing or removing additional clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of the same pole or section of line.
 - c. Painting poles, towers, crossarms or pole extensions.
 - d. Readjusting and changing position of guys or braces.
 - e. Realigning and straightening poles, crossarms, braces, and other pole fixtures.
 - f. Reconditioning reclaimed pole fixtures.
 - g. Relocating crossarms, racks, brackets, and other fixtures on poles.
 - h. Repairing or realigning pins, racks, or brackets.
 - i. Repairing pole supported platform.
 - j. Repairs by others to jointly owned poles.
 - k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
 - l. Stubbing poles already in service.
 - m. Supporting fixtures and conductors and transferring them to new poles during pole replacements.
 - n. Maintenance of pole signs, stencils, tags, etc.
2. Work of the following character on overhead conductors and devices:
 - a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
 - b. Cleaning insulators and bushings.
 - c. Re-fusing cutouts.
 - d. Repairing line oil circuit breakers and associated relays and control wiring.
 - e. Repairing grounds.
 - f. Resagging, retying, or rearranging position or spacing of conductors.

- g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
 - h. Sampling, testing, changing, purifying, and replenishing insulating oil.
 - i. Repairing line testing equipment.
 - j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
 - k. Trimming trees and clearing brush.
 - l. Chemical treatment of right of way areas when occurring subsequent to construction of line.
3. Work of the following character on roads and trails:
 - a. Repairing roadway, bridges, etc.
 - b. Trimming trees and brush to maintain previous roadway clearance.
 - c. Snow removal from roads and trails.
 - d. Maintenance work on publicly owned roads and trails when done by utility at its expense.

572. Maintenance of Underground Lines.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of transmission plant, the book cost of which is includible in accounts 357, Underground Conduit, and 358, Underground Conductors and Devices. (See operating expenses instruction 2.)

ITEMS

1. Work of the following character on underground conduit:
 - a. Cleaning ducts, manholes, and sewer connections.
 - b. Minor alterations of handholes, manholes or vaults.
 - c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
 - d. Plugging and shelving or replugging ducts.
 - e. Repairs to sewers and drains, walls and floors, rings and covers.
2. Work of the following character on underground conductors and devices:
 - a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
 - b. Repairing grounds.
 - c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
 - d. Repairing conductors and splices.
 - e. Repairing or moving junction boxes and potheads.
 - f. Refireproofing of cables and repairing supports.
 - g. Repairing electrolysis preventive devices for cables.
 - h. Repairing cable bonding systems.
 - i. Sampling, testing, changing, purifying and replenishing insulating oil.

- j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
- k. Repairing line testing equipment.
- l. Repairs to oil or gas equipment in high-voltage cable system and replacement of oil or gas.

573. Maintenance of Miscellaneous Transmission Plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of owned or leased plant which is assignable to transmission operations and is not provided for elsewhere. (See operating expense instruction 2.)

3. DISTRIBUTION EXPENSES**Operation.****580. Operation Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

581. Load Dispatching.

This account (the keeping of which is optional with the utility) shall include the cost of labor, materials used and expenses incurred in load dispatching operations pertaining to the distribution of electricity.

ITEMS**Labor:**

- 1. Directing switching.
- 2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
- 3. Controlling system voltages.
- 4. Preparing operating reports.
- 5. Obtaining reports on the weather and special events.

Expenses:

- 6. Communication service provided for system control purposes.
- 7. System record and report forms.
- 8. Meals, traveling and incidental expenses.

582. Station Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of distribution substations.

ITEMS**Labor:**

- 1. Supervising station operation.
- 2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators, or changing station transformer taps.
- 3. Keeping station log and records and preparing reports on station operation.
- 4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.
- 5. Operating switching and other station equipment.
- 6. Standing watch, guarding and patrolling station and station yard.
- 7. Sweeping, mopping, and tidying station.
- 8. Care of grounds, including snow removal, cutting grass, etc.

Materials and Expenses:

- 9. Building service expenses.
- 10. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
- 11. Station meter and instrument supplies, such as ink and charts.
- 12. Station record and report forms.
- 13. Tool expense.
- 14. Transportation expense.
- 15. Meals, traveling and incidental expenses.

NOTE.—If the utility owns storage battery equipment used for supplying electricity to customers in periods of emergency, the cost of operating labor and of supplies, such as acid, gloves, hydrometers, thermometers, soda, automatic cell fillers, acid proof shoes, etc., shall be included in this account. If significant in amount, a separate subdivision shall be maintained for such expenses.

583. Overhead Line Expenses.**584. Underground Line Expenses.**

These accounts shall include, respectively, the cost of labor, materials used and expenses incurred in the operation of overhead and underground distribution lines.

ITEMS**Labor:**

- 1. Supervising line operation.
- 2. Changing line transformer taps.
- 3. Inspecting and testing lightning arresters, line circuit breakers, switches, and grounds.
- 4. Inspecting and testing line transformers for the purpose of determining load, temperature, or operating performance.
- 5. Patrolling lines.
- 6. Load tests and voltage surveys of feeders, circuits, and line transformers.
- 7. Removing line transformers and voltage regulators with or without replacement.

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8. Installing line transformers or voltage regulators with or without change in capacity provided that the cost of first installation of these items is included in account 368, Line Transformers.
9. Voltage surveys, either routine or upon request of customers, including voltage tests at customer's main switch.
10. Transferring loads, switching and reconnecting circuits and equipment for operation purposes.
11. Electrolysis surveys.
12. Inspecting and adjusting line testing equipment.

Materials and Expenses:

13. Tool expense.
14. Transportation expense.
15. Meals, traveling and incidental expense.
16. Operating supplies, such as instrument charts, rubber goods, etc.

585. Street Lighting and Signal System Expenses.

This account shall include the cost of labor, materials used and expenses incurred in: (1) the operation of street lighting and signal system plant which is owned or leased by the utility; and (2) the operation and maintenance of such plant owned by customers where such work is done regularly as a part of the street lighting and signal system service.

ITEMS

Labor:

1. Supervising street lighting and signal systems operation.
2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
4. Testing lines and equipment including voltage and current measurement.
5. Winding and inspection of time switch and other controls.

Materials and Expenses:

6. Street lamp renewals.
7. Transportation and tool expense.
8. Meals, traveling and incidental expenses.

586. Meter Expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of customer meters and associated equipment.

ITEMS

Labor:

1. Supervising meter operation.
2. Clerical work on meter history and associated equipment record cards, test cards, and reports.

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3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
4. Consolidating meter installations due to elimination of separate meters for different rates of service.
5. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
6. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
7. Inspecting and adjusting meter testing equipment.
8. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

Materials and Expenses:

9. Meter seals and miscellaneous meter supplies.
10. Transportation expenses.
11. Meals, traveling and incidental expenses.
12. Tool expenses.

NOTE.—The cost of the first setting and testing of a meter is chargeable to account 370, Meters.

587. Customer Installations Expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations, in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

ITEMS

Labor:

1. Supervising customer installations work.
2. Inspecting premises, including check of wiring for code compliance.
3. Investigating, locating, and clearing grounds on customers' wiring.
4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
5. Installing, removing, renewing, and changing lamps and fuses.
6. Patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate cause of interference.
7. Installing, connecting, reinstalling, or removing leased property on customers' premises.

8. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost identifiable as caused by current diversion.

Materials and Expenses:

9. Lamp and fuse renewals.
10. Materials used in servicing customers' fixtures, appliances and equipment.
11. Power, light, heat, telephone, and other expenses of appliance repair department.
12. Tool expense.
13. Transportation expense, including pickup and delivery charges.
14. Meals, traveling and incidental expenses.

NOTE A.—Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 451, Miscellaneous Service Revenues.

NOTE B.—Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

588. Miscellaneous Distribution Expenses.

This account shall include the cost of labor, materials used and expenses incurred in distribution system operation not provided for elsewhere.

ITEMS

Labor:

1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.
5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to account 586, Meter Expenses.
8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 586, Meter Expenses, and station records chargeable to account 582, Station Expenses, and stores records chargeable to account 163, Stores Expense.
9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:

10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.

589. Rents.

This account shall include rents of property of others used, occupied, or operated in connection with the distribution system, including payments to the United States and others for the use and occupancy of public lands and reservations for distribution line rights of way. (See operating expense instruction 3.)

Maintenance.**590. Maintenance Supervision and Engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the distribution system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

591. Maintenance of Structures.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements. (See operating expense instruction 2.)

592. Maintenance of Station Equipment.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 362, Station Equipment, and account 363, Storage Battery Equipment. (See operating expense instruction 2.)

593. Maintenance of Overhead Lines.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of overhead distribution line facilities, the book cost of which is includible in account 364, Poles, Towers and Fixtures, account 365, Overhead Conductors and Devices, and account 369, Services. (See operating expense instruction 2.)

ITEMS

1. Work of the following character on poles, towers, and fixtures:
 - a. Installing additional clamps or removing clamps or strain insulators on guys in place.
 - b. Moving line or guy pole in relocation of pole or section of line.
 - c. Painting poles, towers, crossarms, or pole extensions.
 - d. Readjusting and changing position of guys or braces.

921. Office Supplies and Expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920, Administrative and General Salaries.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE.—Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in account 930, Miscellaneous General Expenses.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

922. Administrative Expenses Transferred—Cr.

This account shall be credited with administrative expenses recorded in accounts 920, Administrative and General Salaries, and 921, Office Supplies and Expenses, which are transferred to construction costs or to nonutility accounts. (See electric plant instruction 4.)

923. Outside Services Employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary

administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE.—Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924. Property Insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damage shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for reserve for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance
2. Amounts credited to account 261, Property Insurance Reserve, for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.

NOTE A.—The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B.—The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

- (1) Materials and supplies and stores equipment, to account 163, Stores Expense, or appropriate materials account.

- (2) Transportation and other general equipment to appropriate clearing accounts that may be maintained.
- (3) Utility plant leased to others, to account 412, Income from Utility Plant Leased to Others.
- (4) Nonutility property, to the appropriate nonutility income account.
- (5) Merchandise and jobbing property to account 415, Income from Merchandising, Jobbing and Contract Work.

NOTE C.—The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in property insurance work may be included in accounts 920, Administrative and General Salaries, and 921, Office Supplies and Expenses, as appropriate.

925. Injuries and Damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve, for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A.—Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B.—The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C.—Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D.—The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in accounts 920, Administrative and General Salaries, and 921, Office Supplies and Expenses, as appropriate.

926. Employee Pensions and Benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees, and administrative expenses in connection with employee pensions and benefits.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the department of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

D. Records in support of this account shall be so kept that the total pensions expense, the total benefits expense, the administrative expenses included herein, and the amounts of pensions and benefits expenses transferred to construction or other accounts will be readily available.

ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.

7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A.—The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920, Administrative and General Salaries, and 921, Office Supplies and Expenses, as appropriate.

NOTE B.—Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

928. Regulatory Commission Expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before the Department, or other regulatory bodies or cases in which such a body is a party.

B. Amounts of such expenses which by approval or direction of the Department are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.
2. Office supplies and expenses, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before the department or other regulatory body.

NOTE A.—Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, orders, of the Department or other regulatory body.

NOTE B.—Do not include in this account amounts includible in account 181, Unamortized Debt Discount and Expense, or account 192, Capital Stock Expense.

929. Duplicate Charges—Cr.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930. Miscellaneous General Expenses.

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

ITEMS

Labor:

1. Miscellaneous labor not provided for elsewhere.

Expenses:

2. Industry association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. Experimental and general research work for the industry.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders' meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual reports to stockholders.
12. Institutional or goodwill advertising.
13. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

931. Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with the customer accounts, sales, and general and administrative functions of the utility. (See operating expense instruction 3.)

Maintenance

932. Maintenance of General Plant.

A. This account shall include the cost assignable to customer accounts, sales, and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, account 397, Communication Equipment, and account 398, Miscellaneous Equipment. (See operating expense instruction 2.)

162 OPERATION AND MAINTENANCE ACCOUNTS

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Steam Power Generation	Account 514
Nuclear Power Generation	Account 532
Hydraulic Power Generation	Account 545
Other Power Generation	Account 554
Transmission	Account 573
Distribution	Account 598
Merchandise and Jobbing	Account 415
Garages, Shops, etc.	Appropriate clearing account, if used

NOTE.—Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense account indicated by the use of the equipment.

SUPPLEMENT TO
UNIFORM SYSTEM OF ACCOUNTS
for
ELECTRIC COMPANIES
for application to
Municipal Lighting Plants—Electric

SUPPLEMENT TO UNIFORM SYSTEM OF ACCOUNTS

For Electric Companies for Application to Municipal Lighting Plants—Electric

A. The definitions, instructions, and accounts contained in the foregoing main body of this System of Accounts, as modified by this supplement, shall apply to Municipal Lighting Plants, to the extent applicable to operations of the electric department of the municipality, with the same force and effect as in the case of Electric Companies subject to the jurisdiction of the Department.

B. Whenever the term "electric department" is used in this supplement, it shall be understood to mean the electric department of a municipality, or such department of a municipality as is responsible for the construction or operation of the lighting plant and it shall also mean the electric works themselves and their operations.

C. Separate accounts and accounting records shall be maintained for the electric department as though it were a separate corporation.

D. In order that the books of the electric department may show accurately the results of operations, the electric department shall credit the appropriate accounts with the cost of property, services, materials, supplies, use of space or equipment, etc., furnished to the municipality or any other department thereof.

E. Similarly, the accounts for electric operations shall include the cost of all items applicable thereto, including expenses of the electric department paid by the municipality, and services, materials, supplies, water supply, use of space or equipment, etc., furnished by the municipality or any other department thereof to the electric department.

F. The offsetting debits or credits for the transactions covered in the two paragraphs D and E immediately preceding, to the extent that cash outlays or current settlements are not involved, shall be to account 215, Appropriated Earned Surplus.

G. These provisions are intended to make possible an accurate determination of the results of operations of the electric department by including in the operating accounts all applicable items, whether or not they represent actual payments. Thus, if an office of an electric

department is located in a general municipal building and if no rent is paid to the municipality for such space, the appropriate account for such rent shall be debited with an equitable amount and the offsetting credit shall be to account 215, Appropriated Earned Surplus.

H. For convenience, all of the balance sheet and surplus accounts prescribed for Municipal Lighting Plants are listed hereinafter, but the texts are given for only those accounts which are in addition to those prescribed for other Electric Companies and for those accounts which are modified.

Municipal Lighting Plants Classified.

Except as modified by this supplement, Municipal Lighting Plants shall keep the accounts prescribed in the main body of this System of Accounts for Class B Electric Companies.

Tax Levy and Form of Vote Regarding Tax Levy.

The statutory provisions governing the operations of Municipal Lighting Plants are designed, so far as practicable, to permit such plants to be operated on a business basis as though independently owned and operated. As the city or town in its corporate capacity is in every instance a large consumer of electricity, the statutes require that there shall be appropriated and included in the tax levy an amount not less than the estimated cost of the electricity to be used by the city or town, and the money so appropriated is treated as income, the same as though received from a private customer. If there is any excess of income over current expenses (including, as required by the statute, depreciation, interest and maturing debt requirements), such excess or profit may be left in the business, or returned to the town treasury, to be used, like other municipal receipts, for the relief of general taxes. If left in the business it should be used in the succeeding year for extensions and additions, to that extent relieving the city or town from the necessity of making additional appropriations or incurring debt for that purpose.

A doubt has always existed, in view of the language of the statute, whether the receipts from private customers can be used for the expenses of the plant without being expressly appropriated therefor by the city council or town meeting. To eliminate this question and also to provide for the disposition of any excess of income over expenses for the year, it is recommended that the appropriations for the current

expenses of Municipal Lighting Plants be made substantially in the following terms:

ORDERED; That there be included in the tax levy for electricity used for street lights the sum of _____ dollars, and that said sum and the income from sales of electricity to private consumers or for electricity supplied to municipal building or for municipal power, and from sales of appliances and jobbing during the current fiscal year, be appropriated for the Municipal Lighting Plant, the whole to be expended by the manager of municipal lighting under the direction and control of the municipal light board (of the selectmen) (of the mayor) for the expense of the plant for said fiscal year, as defined in section 57 of chapter 164 of the General Laws, and that, if said sum and said income shall exceed said expense for said fiscal year, such excess shall be transferred to the construction fund of said plant and appropriated and used for such additions thereto as may thereafter be authorized by the municipal light board (by the selectmen) (by the mayor).

If it is desired to return the excess to the town or city treasury, the closing words of the order, beginning "shall be transferred," etc., should be stricken out and the following words substituted, to wit: "shall be returned to the town (city) treasury."

ELECTRIC PLANT INSTRUCTION

The following instructions should be added to Electric Plant Instruction 2, Basis of Charges to Electric Plant Accounts:

F. The electric plant accounts shall also reflect the necessary credits corresponding to charges to depreciation fund.

Electric Plant Instruction 9B(2) shall be modified to read as follows:

(2) When a retirement unit is retired from electric plant with or without replacement, the net book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in Paragraph D below.

Electric Plant Instruction 9D shall be modified to read as follows:

D. The cost at which electric plant shall be retired is the book cost thereof after giving effect to the amount credited thereto for depreciation, and the net salvage realized, the remainder, if any, shall be charged to account 437, Surplus Applied to Depreciation.

Electric Plant Instructions 9E and F shall not apply to Municipal Lighting Plants.

BALANCE SHEET ACCOUNTS**ASSETS AND OTHER DEBITS****1. Utility Plant**

- 101 Utility Plant in Service
- 107 Construction Work in Progress

2. Fund Accounts**125 Sinking Funds**

This account shall include the amount of cash, the cost or book value of live securities, and other assets which are held by the sinking fund commissioners for the purpose of redeeming debt incurred for the plant.

This account shall also include all income derived from such investments, the amount of which shall concurrently be credited to account 205, Sinking Fund Reserves.

A separate account shall be kept for each fund.

126 Depreciation Fund

Concurrent with the charge to Income of the amount required for "Depreciation" there shall be charged to Depreciation Fund and credited to Cash a similar amount. The Depreciation Fund may be used only for the purposes specified in section 57 of chapter 164 of the General Laws. This section further provides that "the depreciation fund shall be kept and managed by the town treasurer as a separate fund, subject to appropriation by the city council or selectmen or municipal light board, if any, for the foregoing purpose." The books of the plant and of the town treasurer should be at all times in accord with respect to this account.

128 Other Special Funds**3. Current and Accrued Assets**

- 131 Cash
- 132 Special Deposits
 - Equivalent of accounts 132 and 134 of the foregoing main body of this System of Accounts.
- 135 Working Funds
- 141 Notes Receivable

142 Customer Accounts Receivable**143 Other Accounts Receivable****146 Receivables from Municipality**

This account shall include all charges by the electric department against the municipality or its other departments which are subject to current settlement.

151 Materials and Supplies

Equivalent to accounts 151, 152, 153, 154, 155 and 156 of the foregoing main body of this System of Accounts.

163 Stores Expense**165 Prepayments****174 Miscellaneous Current and Accrued Assets****4. Deferred Debits****181 Unamortized Debt Discount and Expense****182 Extraordinary Property Losses**

Paragraph B of the foregoing text of this account is not applicable to Municipal Lighting Plants.

185 Other Deferred Debits

Equivalent of accounts 183, 184, 185 and 186 of the foregoing main body of this System of Accounts.

BALANCE SHEET ACCOUNTS

LIABILITIES AND OTHER CREDITS

5. Appropriations

201 Appropriations for Construction

All appropriations of the municipality for the electric department for extensions, reconstruction, enlargements and additions which are charged directly to the tax levy, and which are subject to repayment but not subject to current settlement shall be credited to this account.

NOTE.—Whenever surplus earnings of the municipal lighting plant are appropriated by the municipality for other uses than those of the plant, charge shall be made to this account, until all accumulations in this account have been discharged.

6. Surplus

205 Sinking Fund Reserves

This account shall include the unexpended balances in the hands of the sinking fund commissioners, which amounts have been set aside for specific purposes. It shall also include income accretions of such funds retained therein.

206 Loans Repayment

When bonds or notes are retired the Cash account shall be credited and Bonds or Notes Payable account debited; concurrently a journal entry shall be made whereby Loans Repayment account shall be credited and Profit and Loss account debited.

When bonds are retired by means of a sinking fund, the Sinking Fund account shall be credited and Bonds or Notes Payable account debited; concurrently a journal entry shall be made crediting Loans Repayment account and debiting Sinking Fund Reserve account.

207 Appropriations for Construction Repayment

When surplus earnings of the municipal lighting plant are appropriated by the town for other uses than those of the plant, the Cash account shall be credited and balance sheet account 201, Appropriations for Construction, shall be debited until all accumulations in such account shall have been discharged; concurrently a journal entry shall be made crediting

BALANCE SHEET ACCOUNTS

171

Appropriations for Construction Repayment and debiting account 208, Unappropriated Earned Surplus.

208 Unappropriated Earned Surplus

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings.

7. Long-Term Debt

221 Bonds

This account shall include the face value of actually outstanding bonds issued by the municipality for the purposes of the electric department.

8. Current and Accrued Liabilities

231 Notes Payable

This account shall include the face value of actually outstanding notes payable issued by the municipality for purposes of the electric department.

232 Accounts Payable

234 Payables to Municipality

This account shall include amounts payable to the municipality or its other departments which are subject to current settlement.

235 Customer Deposits

236 Taxes Accrued

237 Interest Accrued

242 Miscellaneous Current and Accrued Liabilities

9. Deferred Credits

251 Unamortized Premium on Debt

252 Customer Advances for Construction

253 Other Deferred Credits

10. Reserves

260 Reserve for Uncollectible Accounts

261 Property Insurance Reserve

262 Injuries and Damages Reserve

263 Pensions and Benefits Reserve

265 Miscellaneous Operating Reserves

11. Contributions in Aid of Construction

271 Contributions in Aid of Construction

INCOME ACCOUNTS**1. UTILITY OPERATING INCOME**

- 400 Operating Revenues
 Operating Expenses:
 401 Operation Expense
 402 Maintenance Expense
 403 Depreciation Expense
 To this account shall be charged an amount equal to 3 per cent of the cost of the plant, exclusive of land and land rights or such smaller or larger amount as the Department may approve, which amount shall be credited to the appropriate electric plant accounts.
 407 Amortization of Property Losses
 408 Taxes
 Total Operating Expenses
 Operating Income
 414 Other Utility Operating Income
 Total Operating Income

2. OTHER INCOME

- 415 Revenues from Merchandising, Jobbing and Contract Work
 419 Interest Income
 421 Miscellaneous Nonoperating Income
 Total Other Income
 Total Income

3. MISCELLANEOUS INCOME DEDUCTIONS

- 425 Miscellaneous Amortization
 426 Other Income Deductions
 Total Income Deductions
 Income Before Interest Charges

4. INTEREST CHARGES

- 427 Interest on Bonds and Notes
 428 Amortization of Debt Discount and Expense
 429 Amortization of Premium on Debt—Cr.
 431 Other Interest Expense

- 432 Interest Charged to Construction—Cr.
 Total Interest Charges
 Net Income

5. EARNED SURPLUS

- 208 Unappropriated Earned Surplus (at beginning of period)
 433 Balance Transferred from Income
 434 Miscellaneous Credits to Surplus
 435 Miscellaneous Debits to Surplus
 436 Appropriations of Surplus
 To the foregoing text of this account shall be added the following item: Surplus Applied to Sinking Fund and Other Reserves.
 437 Surplus Applied to Depreciation
 This account shall include such amounts as are not otherwise provided for, and necessary to provide for the retirement of property no longer useful in the conduct of the business.
 Net Addition to Earned Surplus
 208 Unappropriated Earned Surplus (at end of period)

OPERATING REVENUE ACCOUNTS

1. SALES OF ELECTRICITY

- 440 Residential Sales
- 442 Commercial and Industrial Sales
- 444 Municipal Sales

This account shall include all revenues derived from electrical energy furnished the city or town owning and operating the plant; also the revenue derived from the sale of electrical energy to other municipalities.

This account shall be subdivided into "Street Lighting," "Lighting Municipal Buildings" and "Power for Municipal Purposes." It shall also be further subdivided to show the amount received on account of electrical energy sold to other municipalities or electric companies for distribution and sale, or for municipal uses such as street lighting, lighting municipal buildings, or for power for municipal purposes.

- 445 Other Sales

This account shall include all revenues from sales of electric energy not properly includible in any of the preceding accounts.

- 447 Sales for Resale

2. OTHER OPERATING REVENUES

- 454 Rent from Electric Property
- 456 Other Electric Revenues
Equivalent of accounts 450 and 451.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. POWER PRODUCTION EXPENSES

A. Steam Power Generation

Operation

- 500 Operation Supervision and Engineering
- 501 Fuel
- 502 Operation Labor and Expenses
Equivalent of A Company accounts 502, 505, 506
- 503 Steam from Other Sources
- 504 Steam Transferred—Cr.
- 507 Rents

Maintenance

- 510 Maintenance of Steam Production Plant
Equivalent of A Company accounts 510-514

C. Hydraulic Power Generation

Operation

- 535 Operation Supervision and Engineering
- 536 Water for Power
- 537 Operation Labor and Expenses
Equivalent of A Company accounts 537-539
- 540 Rents

Maintenance

- 541 Maintenance of Hydraulic Production Plant
Equivalent of A Company accounts 541-545

D. Other Power Generation

Operation

- 546 Operation Supervision and Engineering
- 547 Fuel
- 548 Operation Labor and Expenses
Equivalent of A Company accounts 548 and 549
- 550 Rents

Maintenance

- 551 Maintenance of Other Power Production Plant
Equivalent of A Company accounts 551-554

E. Other Power Supply Expenses**Operation**

- 555 Purchased Power
557 Other Expenses

2. TRANSMISSION EXPENSES**Operation**

- 560 Operation Supervision and Engineering
561 Operation Labor and Expenses
Equivalent of A Company accounts 561-566
567 Rents

Maintenance

- 568 Maintenance of Transmission Plant
Equivalent of A Company accounts 568-573

3. DISTRIBUTION EXPENSES**Operation**

- 580 Operation Supervision and Engineering
581 Operation Labor
Equivalent of A Company Labor Charges in accounts
581-584
582 Operation Supplies and Expenses
Equivalent of A Company Supplies and Expenses Charges
in accounts 581-584
585 Street Lighting and Signal System Expenses
586 Meter Expenses
587 Customer Installations Expenses
588 Miscellaneous Distribution Expenses
589 Rents

Maintenance

- 590 Maintenance of Structures and Equipment
Equivalent of A Company accounts 590-592
593 Maintenance of Lines
Equivalent of A Company accounts 593 and 594
595 Maintenance of Line Transformers

- 596 Maintenance of Street Lighting and Signal Systems
597 Maintenance of Meters
598 Maintenance of Miscellaneous Distribution Plant

4. CUSTOMER ACCOUNTS EXPENSES**Operation**

- 902 Meter Reading Labor and Expenses
903 Accounting and Collecting Labor and Expenses
Equivalent of A Company accounts 901 and 903
904 Uncollectible Accounts
905 Miscellaneous Customer Accounts Expenses

5. SALES EXPENSES**Operation**

- 911 Sales Expenses
Equivalent of A Company accounts 911-913 and 916

6. ADMINISTRATIVE AND GENERAL EXPENSES**Operation**

- 920 Administrative and General Salaries
921 Office Supplies and Expenses
922 Administrative Expenses Transferred—Cr.
923 Outside Services Employed
924 Property Insurance
925 Injuries and Damages
926 Employee Pensions and Benefits
928 Regulatory Commission Expenses
929 Duplicate Charges—Cr.
930 Miscellaneous General Expenses
931 Rents

Maintenance

- 932 Maintenance of General Plant