

DEFINITIONS

When used in this system of accounts:

Accounts means the accounts prescribed in this system of accounts.

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.

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.

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.

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.

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.

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.

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.

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.

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

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

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.

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.

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.

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

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

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

Gas 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 gas 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 gas 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.

	Electric	Gas
Assets and other debits	100-199	100-199
Liabilities and other credits	200-299	200-299
Plant accounts	E 300-399	G 300-399
Income accounts	E 400-439	G 400-439
Revenue accounts	440-459	480-499
Production, transmission, and distribution expenses	500-599	700-899
Customer, sales and general expenses	E 900-949	G 900-949

5. Gas 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 gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas 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 gas 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, gas operating functions (manufactured and purchased gas, transmission and 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.

GAS PLANT INSTRUCTIONS

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

- A. Each utility shall classify its gas plant as of January 1, 1961, the effective date of this system of accounts, in accordance with the gas plant accounts prescribed herein.
- B. The cost to the utility of its gas plant shall be ascertained by analysis of the utility's records. Adjustments shall not be made to record in gas 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 Gas 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 not 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 gas 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 gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.
- E. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas 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 gas 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 gas 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 "Gas 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 the 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 gas 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 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 gas 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 Non-operating 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 gas 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 gas 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 gas 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.)
- I. 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 building, 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, casting, 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 costs 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 items 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 services 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. Waterfront 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.)
67. Holder, Relief.

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 gas 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 gas 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 30 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 gas plant account.

9. Additions and Retirements of Gas Plant.

- A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas 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 gas plant, the cost thereof shall be added to the appropriate gas plant account.
 - (2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas 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 gas 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 gas 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 gas plant account.
- D. The book cost of gas plant retired shall be the amount at which such property is included in the gas 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 gas 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 gas 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.
- G. The accounting for the retirement of amounts included in account 303, Miscellaneous Intangible Plant, and the items of limited-term interest in land included in the accounts for land and land rights shall be as provided for in the text of account 257, Reserve for Amortization of Utility Plant in Service, account 404, Amortization of Limited-Term Utility Plan, and account 405, Amortization of Other Utility Plant.

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 gas 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 gas plant, the total cost thereof, the source or sources of costs, and the gas 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 amount 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 gas plant account to another, from one utility department to another, such as from gas to electric, 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 account 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 gas 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 department 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 purposes of this system of accounts:

- A. "Transmission System" means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors and their driving units and appurtenances, and other equipment used primarily for transmitting gas from a production plant, delivery point of purchased gas, gathering system, storage area, or other wholesale source of gas, to one or more distribution areas. The transmission system begins at the outlet side of the valve at the connection to the last equipment in a manufactured gas plant, the connection to gathering lines or delivery point of purchased gas, and includes the equipment at such connection that is used to bring the gas to transmission pressure, and ends at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system or into a storage area. It does not include storage land, structures or equipment. Pipe line companies, however, shall include city gate and main line industrial measuring and regulating stations in the transmission function, except that where pipe line companies measure deliveries of gas to their own distribution systems they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purpose of this system of accounts.
- B. "Distribution System" means the mains which are provided primarily for distributing gas within a distribution area, together with land, structures, valves, regulators, services and measuring devices, including the mains for transportation of gas from production plants or points of receipt located within such distribution area to other points therein. The distribution system begins at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. It does not include storage land, structures, or equipment.
- C. "Distribution Area" as used herein means a metropolitan area or other urban area comprising one or more adjacent or nearby cities, villages or unincorporated areas, including developed areas contiguous to main highways.

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 gas 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 391 to 398, 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 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 gas 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
- 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 and Extracted Products
- 154 Plant Materials and Operating Supplies
- 155 Merchandise
- 156 Other Materials and Supplies
- 163 Stores Expense
- 165 Prepayments
- 171 Interest and Dividends Receivable
- 172 Rents Receivable
- 173 Accrued Utility Revenues
- 174 Miscellaneous Current and Accrued Assets
- 175 Reconciliation Adjustment for CGAC
- 175.1 Base Reconciliation
- 175.2 Supplemental Reconciliation Adjustment for CGAC

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

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
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 gas 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 this 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 house regulators 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 or 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 gas production plant, a compressor station, or a transmission line, is designed to consist of two or more units 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 offsetting 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 a 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.

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 for 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 12 months and items which are not paid within 12 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.

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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 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 and Extracted Products.

This account shall include the book cost of residuals or extracted products produced in the manufacture of gas or in natural gas products extraction operations including like products purchased for resale.

154. Plan 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 accumulative 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 Material 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.

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 store 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 gas.

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.

175. Reconciliation Adjustment For CGAC.

This account shall be used to record the cumulative difference between (a) the revenues collected by the application of the Cost of Gas Adjustment Clause (both from the GAF and embedded Base Unit Cost), and (b) Cost of Firm Gas - Allowable for CGAC.

175.1 Base Reconciliation Adjustment for CGAC.

This account shall be used to record the cumulative difference between base gas revenues and base gas costs. Entries to this account shall be determined as outlined in the Standard Cost of Gas Adjustment Clause, 220 CMR 6.08.

175.2 Supplemental Reconciliation Adjustment for CGAC.

This account shall be used to record the cumulative difference between supplemental gas revenues and supplemental gas costs. Entries to this account shall be determined as outlined in the Standard Cost of Gas Adjustment Clause, 220 CMR 6.08.

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 amount 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 434, 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 the 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 488, 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 required 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 amount 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 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 gas 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, 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.

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 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.)

GAS PLANT ACCOUNTS

1. INTANGIBLE PLANT

- 301 Organization
- 303 Miscellaneous Intangible Plant

2. PRODUCTION PLANT

Manufactured Gas Production Plant

- 304 Land and Land Rights
- 305 Structures and Improvements
- 306 Boiler Plant Equipment
- 307 Other Power Equipment
- 310 Water Gas Generating Equipment
- 311 Liquefied Petroleum Gas Equipment
- 312 Oil Gas Generating Equipment
- 313 Generating Equipment - Other Processes
- 315 Catalytic Cracking Equipment
- 316 Other Reforming Equipment
- 317 Purification Equipment
- 318 Residual Refining Equipment
- 319 Gas Mixing Equipment
- 320 Other Equipment

3. STORAGE PLANT

- 360 Land and Land Rights
- 361 Structures and Improvements
- 362 Gas Holders
- 363 Other Equipment

4. TRANSMISSION AND DISTRIBUTION PLANT

- 365.1 Land and Land Rights
- 365.2 Rights-of-Way
- 366 Structures and Improvements
- 367 Mains

- 368 Compressor Station Equipment
- 369 Measuring and Regulating Station Equipment
- 380 Services
- 381 Meters
- 382 Meter Installations
- 383 House Regulators
- 386 Other Property on Customers' Premises
- 387 Other Equipment

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 Equipment

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 enterprises and putting it into readiness to do business. Any amounts charged to this account shall be amortized within a reasonable period.

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.

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 the utility's gas operations and not specifically chargeable to any other account. Any amount charged to this account shall be amortized within a reasonable period.

2. PRODUCTION PLANT

Manufactured Gas Production Plant

304. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with manufactured gas production. (See gas plant instruction 6.)

305. Structures and Improvements.

This account shall include the cost of structures and improvements used in connection with manufactured gas production. (See gas plant instruction 7.)

NOTE. - Include relief holders in this account.

306. Boiler Plant Equipment.

This account shall include the cost installed of furnaces, boilers, steam and feed water piping, boiler apparatus, and accessories used in the production of steam at gas production plants.

ITEMS

1. Accumulators.
2. Air preheaters, including fans and drives, and ducts not part of building.
3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.
4. Belt conveyors, including drives.
5. Blast gate valves.
6. Blow-down tanks and piping.

7. Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.
8. Cinder and dust catcher system, including mechanical and electric types.
9. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.
10. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.
11. Control apparatus.
12. Cranes, hoists, etc., wholly identified with apparatus listed herein.
13. Desuperheaters and reducing valves.
14. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.
15. Economizers.
16. Emergency lighting systems, not part of building, keep-a-lite systems, etc.
17. Emergency signal systems, in connection with boiler operation.
18. Feed water heaters, including primary and stage.
19. Flues, uptakes, and breeching, whether or not stacks are included in this account.
20. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
21. Furnaces.
22. Gas firing system, including gas lines, burners, etc., for gas fired boilers.
23. Injectors.
24. Mechanical stoker and feeding systems, clinker grinders, including drives.
25. Meters, gauges, recording instruments, etc.
26. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping, and conditioning apparatus.
27. Painting, first cost.
28. Panels, control (for operating apparatus listed herein).
29. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water, feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.
30. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
31. Pulverizing equipment.
32. Pumps and driving units, for feed water, heater condensate, condenser water, and drip.
33. Stacks-brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.
34. Steam reheaters.
35. Steelwork, especially constructed for apparatus listed herein.

36. Tanks, including surge, weighing, return, blow-off, feed water storage.
37. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
38. Waste heat boilers and accessories-stack valve and stack irrespective of location.
39. Water treatment system, including purifiers, settling tanks, filters, chemical mixing and dosing apparatus, etc.

NOTE A. - This account shall not include boilers or steam pipes whose primary purpose is the heating of buildings.

NOTE B. - When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, or pipe line, the cost shall not be charged to this account but to a special subdivision of account 305, Structures and Improvements Manufactured Gas.

307. Other Power Equipment.

- A. This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.
- B. This account shall also include the cost installed of miscellaneous power equipment at gas production plants which is not included in any other account.

ITEMS

1. Acid proofing of battery rooms.
2. Air duct runs in battery rooms.
3. Air pump, steamjet.
4. Batteries for control and general station use.
5. Belts, pulleys, hangers, shafts, and countershafts.
6. Cables between generators and switchboards.
7. Cabinets, control.
8. Compartments, including buses, connections and items permanently attached.
9. Enclosure equipment not an integral part of building.
10. Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.
11. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
12. Generators, A.C. or D.C., including excitation system.
13. Ground connections, for main station ground.
14. Lightning arresters.
15. Motor generators, frequency changers, and converters.
16. Overhead power lines, including poles, crossarms, insulators,

- conductors, etc.
17. Panels, control, including supports and instruments.
 18. Piping applicable to apparatus listed herein.
 19. Reactors.
 20. Rectifiers.
 21. Safety equipment, including rubber mats, remote closing devices, glove cabinets.
 22. Switchboards, including frames, panels, meters, and instruments.
 23. Switching equipment, including oil circuit breakers, disconnecting switches and connections.
 24. Synchronous converters.
 25. Transformers, including transformer platforms.
 26. Underground conduit system, including manholes and conductors.

NOTE. - When any unit of equipment listed herein is wholly used to furnish power to equipment included in another single account, its cost shall be included in such account.

310. Water Gas Generating Equipment.

This account shall include the cost installed of equipment used in the generation of water gas.

ITEMS

1. Automatic operation equipment.
2. Black-run installations.
3. Blast equipment, including blowers and driving units, piping and supports.
4. Bridge, coal shed to generator house.
5. Carburetors.
6. Charging equipment, fuel.
7. Circulating water pumps.
8. Concrete or brick pits, including cover, not part of building.
9. Control apparatus.
10. Conveyors.
11. Dust collectors.
12. Enclosures for equipment (barriers, fire walls, guards, housings, screens, etc.)
13. Flow meters.
14. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
15. Fuel handling equipment used exclusively for fuel for this account.
16. Gauges, indicating and recording.
17. Generators.

18. Hot valves.
19. Hydraulic operation equipment.
20. Instruments and meters, electrical.
21. Oil handling and storage apparatus used solely for water gas apparatus (tanks, pumps and oil lines, oil heaters, manholes, valve pits, regulators, strainers, etc.)
22. Oil spray.
23. Operating floors and supports, stairways, etc.
24. Piling under foundations.
25. Piping and valves-steam (commencing at steam header), tar (to decanter), water (inside of building), and gas (up to outlet of final pieces of apparatus in building).
26. Pressure regulators.
27. Scales, when used in connection with items in this account.
28. Seal pots.
29. Superheaters and superheater stacks.
30. Tanks, hydraulic pressure.
31. Valve operating mechanisms.
32. Wash boxes.

311. Liquefied Petroleum Gas Equipment.

- A. This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.
- B. Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate sub-account shall be maintained also for bottling equipment included herein.

ITEMS

1. Blowers.
2. Boilers.
3. Calorimixer.
4. Carbureting equipment.
5. Compression equipment.
6. Controller.
7. Control apparatus.
8. Enclosures and protective fences.
9. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
10. Heat exchanger.
11. Gauges and instruments.
12. Mixing or proportioning equipment.

13. Motors, not an integral part of driven equipment.
14. Odorizing equipment.
15. Oil separator.
16. Piping - steam (commencing at steam header), water (inside of building), oil (from supply tank), and gas (up to outlet of final piece of apparatus in building).
17. Pits.
18. Prime movers.
19. Pumps, including driving units.
20. Regulator.
21. Stairs, platforms, and ladders.
22. Storage equipment, tanks, etc.
23. Superheater.
24. Traps.
25. Valves - regulating and check.
26. Vaporizing equipment.

312. Oil Gas Generating Equipment.

This account shall include the cost installed of equipment used for generating oil gas.

ITEMS

1. Air blast equipment, including blowers and driving units, piping and supports.
2. Air inlet louvres and filters.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Generating equipment, including automatic cycle controls, generators, operating floor, superheaters and wash boxes.
5. Instruments and instrument boards, complete with signal lights and thermocouples and including gauge board, pressure gauges and pyrometers.
6. Meters and regulators, such as air flow meter, generator oil meter, steam flow meter and steam regulator.
7. Piping and valves, air, steam (commencing at steam header), water (inside building) and oil gas (up to outlet of final piece of apparatus in building).
8. Pumps, hydraulic and oil.
9. Tanks, hydraulic accumulator, hydraulic return, oil and steam accumulator.

313. Generating Equipment--Other Processes.

This account shall include, with subdivisions for each type of gas produced, the cost installed of generating equipment which is not included in any of the foregoing accounts, such as benches and retorts for the production of coal gas, equipment used for generating acetylene gas, etc.

ITEMS

As to coal gas production equipment:

1. Benches.
2. Charging and drawing machines.
3. Control apparatus.
4. Equipment for steaming retorts.
5. Flues, uptakes and breeching, whether or not stacks are included in this account.
6. Foundations.
7. Fuel handling equipment used exclusively for retorts, including weight lorries, tracks, etc., and grinders, breakers and screens located in retort house.
8. Fuel system under retorts, including built-in producers.
9. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
10. Primary atmospheric condensers.
11. Retorts.
12. Stack-brick, steel, and concrete when set on separate foundations independent of substructure or superstructure of buildings, including lightning arresters.

315. Catalytic Cracking Equipment.

This account shall include the cost installed of equipment used for producing gas by the catalytic cracking process.

ITEMS

1. Caloric meters.
2. Catalytic furnace, including catalyst and foundation.
3. Combustion air blowers.
4. Compressors, air.
5. Control equipment.
6. Cooling coils, including foundations.
7. Cooling towers, including foundations.
8. Enclosures.
9. Fractionalizing units.
10. Piping and valves.

11. Preheaters.
12. Pressure regulators.
13. Proportioning controls.
14. Tanks.
15. Vaporizers.

316. Other Reforming Equipment.

This account shall include the cost installed of equipment, other than catalytic cracking equipment, used primarily for reforming gas with resultant changes in its chemical composition and calorific value.

ITEMS

1. Blast equipment, including blowers and driving units, piping, and supports.
2. Control apparatus.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Fuel and ash handling equipment, used wholly in reforming gas.
5. Oil gas apparatus, used for reforming gas.
6. Piping - steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).
7. Pumps and driving units.
8. Purifiers for gas to be reformed.
9. Regulators.
10. Water gas generators, used primarily for reforming gas.

317. Purification Equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas, including pumps, wells, and other accessory apparatus.

ITEMS

1. Blowers for revivifying.
2. Blowers for activators.
3. Condensers and washer coolers.
4. Control apparatus - conduit, cable, cabinets, switchboards, etc.
5. Crane or cover lifting equipment, not part of the structure.
6. Dehydrators.
7. Engines, not an integral part of driven equipment.
8. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.

9. Instruments and meters, electric.
10. Lubricators.
11. Naphthalene and light oil scrubbers.
12. Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
13. Oxide elevators and pits, platforms, tables, and trenches.
14. Piping-air, steam, water, gas, condensate, liquor, tar, etc., from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
15. Precipators.
16. Purifiers - iron oxide or liquid, including first filling.
17. Recording gauges and thermometers.
18. Revivifying air ducts.
19. Saturator with auxiliary equipment.
20. Scrubbers.
21. Seal and drip pots.
22. Signal system identified with equipment herein.
23. Sulphur removal apparatus.
24. Tar extractors and Cottrell precipitators.
25. Tar pumps and tanks.
26. Track runs for cranes and hoists.
27. Wash boxes.
28. Water meters, for cooling water.

318. Residual Refining Equipment.

This account shall include the cost installed of apparatus used in refining and handling of residuals except where the apparatus is necessary for the operation of property included in account 317, Purification Equipment.

ITEMS

1. Ammonia stills, condensers, saturators, etc.
2. Apparatus for removal of residuals from purifier liquids.
3. Coke filter.
4. Coke handling and storage facilities, used solely for coke held for sale.
5. Condensers.
6. Control apparatus.
7. Coolers.
8. Decanters.
9. Foundations specially constructed for and not intended to outlast the apparatus for which provided.
10. Gauges.
11. Heating equipment for apparatus included in this account.
12. Instruments.

13. Light oil stills, washers, etc.
14. Piping and pumps.
15. Platforms, stairs, and ladders.
16. Separators.
17. Storage tanks.
18. Supports.
19. Tar dehydrators, stills, etc.

319. Gas Mixing Equipment.

This account shall include the cost installed of equipment used for mixing manufactured and natural gas, or the mixing of other gases incident to delivery of such mixed gases to the distribution system.

ITEMS

1. Alcohol units.
2. Automatic mixing controls.
3. Btu adjustor.
4. Calorimeter.
5. Calorimixer.
6. Compressor.
7. Gas heater.
8. Gas scrubber (air filter, dust cleaner).
9. Gauges and instruments.
10. Meters.
11. Mixing chambers.
12. Odorizing equipment.
13. Oil pump units.
14. Panel and control equipment.
15. Piping and valves.
16. Regulators, pressure and ratio.
17. Safety alarm equipment.

320. Other Equipment.

This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Cabinet, control.
2. Compressed air system.
3. Fire hose carts.
4. First aid room equipment.

5. Foamite system.
6. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided.
7. Gasoline pumps.
8. Hand pumps.
9. Machine shop equipment, such as lathes, pipe cutting and threading machines, vise grinders, power saw, shop motors, shafting and belting, drill press, shapers, milling machines, planes, etc.
10. Odorizing equipment.
11. Office furniture and equipment.
12. Oil foggers.
13. Panel, control.
14. Piping - yard, when not includible in other accounts.
15. Pits.
16. Platforms.
17. Portable scaffolds, ladders, etc.
18. Power shovels.
19. Production laboratory equipment.
20. Scales, not associated with other equipment.
21. Special signal equipment.
22. Tractors for general plant use.
23. Works exhauster including driving unit and governor.
24. Work station meters, including gauges, piping and accessories.

3. STORAGE PLANT

360. Land and Land Rights.

This account shall include the cost of land and land rights used in connection with local storage of gas in holders within or adjacent to distribution areas. (See gas plant instruction 6.)

361. Structures and Improvements.

This account shall include the cost in place of structures and improvements used in connection with local storage of gas within or adjacent to distribution areas. (See gas plant instruction 7.)

362. Gas Holders.

This account shall include the cost installed of holders and associated appliances used in the storage of gas above ground, or in underground receptacles installed for local storage purposes.

ITEMS

1. Alarm systems.
2. Buried piping, tanks or other underground construction for gas storage.
3. Flood and fire control equipment.
4. Foundations.
5. Holder pistons.
6. Holders - waterless, including elevators, tar apparatus, and inlet and outlet connections.
7. Holders - waterseal, including oil skimmer, heating equipment, drips and inlet and outlet connections.
8. Hortonspheres and high pressure tanks, including inlet and outlet connections, access equipment, etc.
9. Lighting.
10. Pumps.
11. Ventilating equipment.
12. Walkways.

NOTE A. - If the utility stores gas by the liquefaction process the holders for such liquids, whether above or below ground, shall be included in a separate subaccount hereunder.

NOTE B. - Relief holders used in connection with manufactured gas operations shall be included in account 305, Structures and Improvements.

363. Other Equipment.

This account shall include the cost installed of other equipment used in connection with the storage of gas within or adjacent to distribution areas.

ITEMS

1. Complete inlet and outlet connections.
2. Compressor.
3. Foundation.
4. Gauges and instruments.
5. Regulating apparatus.

4. TRANSMISSION AND DISTRIBUTION PLANT

Separate subdivisions of transmission and distribution plant may be kept at the option of the accounting company.

365.1 Land and Land Rights.

This account shall include the cost of land and land rights except rights-of-way used in connection with transmission and distribution operations. (See gas plant

instruction 6.)

365.2 Rights-of-Way.

This account shall include the cost of rights-of-way used in connection with transmission and distribution operations. (See gas plant instruction 6.)

366. Structures and Improvements.

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

B. This account shall be subdivided as follows:

366.1 Compressor Station Structures.

366.2 Measuring and Regulating Station Structures.

366.3 Other Structures.

367. Mains.

A. This account shall include the cost installed of transmission and distribution system mains.

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Anti-freeze lubricating equipment.
2. Automatic valve operating mechanisms, including pressure tanks, etc.
3. By-pass assembly.
4. Caissons, tunnels, trestles, etc., for submarine mains.
5. Cathodic protection equipment.
6. Drip lines and pots.
7. Electrolysis tests, in connection with new construction.
8. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
9. Foundations.
10. Gas cleaners, scrubbers, etc. when not part of compressor station or measuring and regulating equipment.
11. Hauling, unloading, and stringing pipe.
12. Lamping and watching new construction.
13. Leak clamps.

14. Linewalkers' bridges.
15. Manholes.
16. Municipal inspection.
17. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
18. Permits.
19. Pipe coating.
20. Pipe and fittings.
21. Pipe laying.
22. Pipe supports.
23. Protection of street openings.
24. Relocating city storm and sanitary sewers, catch basins, etc., or protecting same in connection with new construction.
25. Replacement of municipal drains and culverts in connection with new construction.
26. River, highway, and railroad crossings, including revetments, pipe anchors, etc.
27. Roadway boxes.
28. Shifting excavated material due to traffic conditions in connection with new construction.
29. Sleeves and couplings.
30. Special crossovers, bridges and foundations for special construction.
31. Surveying and staking lines.
32. Valves.
33. Welding.
34. Wood blocking.

368. Compressor Station Equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with transmission and distribution system operations.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and

pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.

7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

369. Measuring and Regulating Station Equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating gas in connection with transmission and distribution system operations. This account shall also include the cost of special and expensive installation of measuring and regulating equipment serving large industrial customers.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

380. Services.

- A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.
- B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service

extends from the main to the property line, or the curb stop.

- C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim.
- D. House regulators and the cost of installation thereof may be charged to this account if the accounting company cannot ascertain the individual cost thereof.

ITEMS

1. Curb valves and curb boxes.
2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
3. Landscaping, including lawns and shrubbery.
4. Municipal inspection.
5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
6. Permits.
7. Pipe and fittings, including saddle, T, or other fitting on street main.
8. Pipe coating.
9. Pipe laying.
10. Protection of street openings.
11. Service drips.
12. Service valves, at head of service, when installed or furnished by the utility.
13. House regulators (see Note D above).

NOTE. - When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 271, Contributions in Aid of Construction.

381. Meters.

- A. This account shall include the cost of meters or devices and appurtenances thereto, for use in measuring gas delivered to users, whether actually in service or held in reserve.
- B. When a meter is permanently retired from service, the cost thereof shall be credited to this account.
- C. The records of meters shall be so kept that the utility can furnish information as to the number of meters of each type and capacity in service and in reserve as well as the location of each meter.

NOTE. - The cost of removing and resetting meters shall be charged to account 878, Meter and House Regulator Expenses.

382. Meter Installations.

- A. This account shall include the cost of labor and materials used, and expenses incurred in connection with the original installation of customer meters.
- B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

- 1. Cocks.
- 2. Locks.
- 3. Labor.
- 4. Meter bars.
- 5. Pipe and fittings.
- 6. Seals.
- 7. Shelves.
- 8. Swivels and bushings.
- 9. Transportation.

383. House Regulators.

- A. This account shall include the cost installed of house regulators whether actually in service or held in reserve and if not included in account 380, Services.
- B. When a house regulator is permanently retired from service, the installed cost thereof shall be credited to this account.

ITEMS

- 1. House regulator.

House regulator installations:

- 2. Cocks.
- 3. Labor.
- 4. Locks.
- 5. Pipe and fittings.
- 6. Regulator vents.
- 7. Swivels and bushings.
- 8. Transportation.

386. Other Property on Customers' Premises.

This account shall include the cost, including first setting and connecting, of equipment owned by the utility installed on customer premises which is not includible in other accounts.

387. Other Equipment.

This account shall include the cost installed of all other distribution system equipment not provided for in the foregoing accounts, including street lighting equipment.

ITEMS

1. Carbon monoxide tester and indicator.
2. Explosimeters.
3. Fire extinguisher.
4. Gas masks.
5. Lockers.
6. Portable pump.
7. Recording gauges.
8. Street lighting equipment.
9. Test meters.
10. Watchmen's clocks.

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 gas 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 gas 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. Derricks.
10. Drill presses
11. Electric equipment.
12. Engines.
13. Forges.
14. Foundations and settings specially constructed for equipment in this account and not expected to outlast the equipment for which provided.
15. Furnaces.
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 specially provided for or includible in other departmental or functional plant accounts.

ITEMS

1. Balances and scales.
2. Barometers.
3. Calorimeters - bomb, flow, recording types, etc.
4. Electric furnaces.
5. Gas burning equipment.
6. Gauges.
7. Glassware, beakers, burettes, etc.
8. Humidity testing apparatus.
9. Laboratory hoods.
10. Laboratory tables and cabinets.
11. Muffles.
12. Oil analysis apparatus.
13. Piping.
14. Specific gravity apparatus.
15. Standard bottles for meter prover testing.
16. Stills.
17. Sulphur and ammonia apparatus.
18. Tar analysis apparatus.
19. Thermometers - indicating and recording.
20. Any other item of equipment for testing gas, fuel, flue gas, water, residuals, etc.

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 movable equipment.

397. Communication Equipment.

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

ITEMS

1. Carrier terminal equipment including repeaters, power supply equipment, transmitting and receiving sets.
2. Microwave equipment, including power supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receiver-transmitter units.
4. Telephone equipment including switchboards, power and testing equipment, conductors, pole lines, etc.

398. Miscellaneous Equipment.

This account shall include the cost of equipment, apparatus, etc., used and useful in gas operations, which is not includible in any other account.

ITEMS

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

NOTE. - Miscellaneous equipment of the nature indicated above wherever practicable shall be assigned to 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
 - 407.1 Amortization of Property Losses
 - 407.2 Amortization of Conversion Expenses
 - 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 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.

407.1 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.

407.2 Amortization of Conversion Expenses.

This account shall be charged with amortization of amounts authorized by the Department to be included in account 186, Miscellaneous Deferred Debits, for expenses incurred in the conversion of distribution plant from manufactured gas service to natural gas service.

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 would 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 Depreciation, as appropriate, shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of account 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.	Depreciation.
Rents.	Income Taxes.
Taxes other than Income Taxes.	

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 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.	Depreciation.
Rents.	Income Taxes.
Taxes other than Income Taxes.	

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.	Depreciation.
Rents.	Income Taxes.
Taxes other than Income Taxes.	

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 gas 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.

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 gas 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 GAS

480 Residential Sales

- 481 Commercial and Industrial Sales
- 482 Other Sales to Public Authorities
- 483 Sales for Resale
- 484 Interdepartmental Sales

2. OTHER OPERATING REVENUES

- 487 Forfeited Discounts
- 488 Miscellaneous Service Revenues
- 489 Revenues from Transportation of Gas of Others
- 490 Sales of Products Extracted from Natural Gas
- 491 Revenues from Natural Gas Processed by Others
- 493 Rent from Gas Property
- 494 Interdepartmental Rents
- 495 Other Gas Revenues

1. SALES OF GAS

480. Residential Sales.

- A. This account shall include the net billing for gas supplied for residential or domestic purposes.
- B. Records shall be maintained so that the quantity of gas sold and the revenues received under each rate schedule shall be readily available.

NOTE. - When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or account 481, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

481. Commercial and Industrial Sales.

- A. This account shall include the net billing for gas supplied to commercial and industrial customers.
- B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available.

NOTE. - When gas 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 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

482. Other Sales to Public Authorities.

- A. This account shall include the net billing for gas 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, for general governmental and institutional purposes.
- B. Records shall be maintained so that the quantity of gas sold and the revenue received from each customer and from each major special contract shall be readily available.

483. Sales for Resale.

- A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.
- B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and Btu adjustment factor.

484. Interdepartmental Sales.

- A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.
- B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

2. OTHER OPERATING REVENUES

487. Forfeited Discounts.

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

488. Miscellaneous Service Revenues.

This account shall include revenues from 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, piping, gas firing and other utilization facilities, or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing 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 gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)
5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489. Revenues from Transportation of Gas of Others.

This account shall include revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compressor stations of the utility.

490. Sales of Products Extracted from Natural Gas.

- A. This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.
- B. Records shall be maintained so that the quantity, sales price, and revenues for each type of product sold to each purchaser shall be readily available.

491. Revenues from Natural Gas Processed by Others.

- A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.
- B. The records supporting this account shall be so maintained that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable (a) the Mcf of gas and approximate average Btu content thereof per cubic foot delivered to such other party for processing, (b) the Mcf of gas and approximate average Btu content thereof per cubic foot of gas received back from the processor, (c) the field, general production area, or other source of the gas processed, (d) Mcf of gas used for processing fuel, etc., which is chargeable to the utility, (e) total gallons of each product recovered by the processor and the utility's share thereof, (f) the revenues accruing to the utility, and (g) the basis of determination of the revenues accruing to the utility. Such records shall be maintained even though no revenues are derived from the processor.

493. Rent from Gas Property.

- A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility.
- B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing 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 rent from property constituting an operating unit or system in this account. (See account 412, Income from Utility Plant Leased to Others.)

494. Interdepartmental Rents.

This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495. Other Gas Revenues.

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

ITEMS

- 1. Commission on sale or distribution of gas 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. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.
- 5. Service charges for storing gas of others.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

CLASS A COMPANIES

- 1. PRODUCTION EXPENSES

A. Manufactured Gas Production Expenses

A.1. Steam Production

Operation

- 700 Operation Supervision and Engineering
- 701 Operation Labor
- 702 Boiler Fuel
- 703 Miscellaneous Steam Expenses
- 704 Steam Transferred--Cr.

Maintenance

- 705 Maintenance Supervision and Engineering
- 706 Maintenance of Structures and Improvements
- 707 Maintenance of Boiler Plant Equipment
- 708 Maintenance of Other Steam Production Plant

A.2. Manufactured Gas Production

Operation

- 710 Operation Supervision and Engineering Production Labor and Expenses
- 711 Steam Expenses
- 712 Other Power Expenses
- 715 Water Gas Generating Expenses
- 716 Oil Gas Generating Expenses
- 717 Liquefied Petroleum Gas Expenses
- 718 Other Process Production Expenses

Gas Fuels

- 721 Water Gas Generator Fuel
- 722 Fuel for Oil Gas
- 723 Fuel for Liquefied Petroleum Gas Process
- 724 Other Gas Fuels

Gas Raw Materials

- 726 Oil for Water Gas
- 727 Oil for Oil Gas
- 728 Liquefied Petroleum Gas
- 729 Raw Materials for Other Gas Processes
- 730 Residuals Expenses
- 731 Residuals Produced--Cr.
- 732 Purification Expenses
- 733 Gas Mixing Expenses
- 734 Duplicate Charges--Cr.
- 735 Miscellaneous Production Expenses

736 Rents

Maintenance

740 Maintenance Supervision and Engineering

741 Maintenance of Structures and Improvements

742 Maintenance of Production Equipment

B. Other Gas Supply Expenses

Operation

804 Natural Gas City Gate Purchases

805 Other Gas Purchases

806 Exchange Gas

807 Purchased Gas Expenses

810 Gas Used for Compressor Station Fuel--Cr.

811 Gas Used for Products Extraction--Cr.

812 Gas Used for Other Utility Operations--Cr.

813 Other Gas Supply Expenses

2. LOCAL STORAGE EXPENSES

Operation

840 Operation Supervision and Engineering

841 Operation Labor and Expenses

842 Rents

Maintenance

843 Maintenance Supervision and Engineering

844 Maintenance of Structures and Improvements

845 Maintenance of Gas Holders

846 Maintenance of Other Equipment

3. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

850 Operation Supervision and Engineering

851 System Control and Load Dispatching

852 Communication System Expenses

853 Compressor Station Labor and Expenses

855 Fuel and Power for Compressor Stations

857 Measuring and Regulating Station Expenses

858 Transmission and Compression of Gas by Others

874 Mains and Services Expenses

878 Meter and House Regulator Expenses

879 Customer Installations Expenses

- 880 Other Expenses
- 881 Rents

Maintenance

- 885 Maintenance Supervision and Engineering
- 886 Maintenance of Structures and Improvements
- 887 Maintenance of Mains
- 888 Maintenance of Compressor Station Equipment
- 889 Maintenance of Measuring and Regulating Station Equipment--General
- 892 Maintenance of Services
- 893 Maintenance of Meters and House Regulators
- 894 Maintenance of Other Equipment

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 Expenses
- 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. PRODUCTION EXPENSES

A. Manufactured Gas Production

Operation

700 Operation Supervision and Engineering

724 Fuel

729 Raw Materials

731 Residuals Produced--Cr.

735 Operation Labor and Expense

736 Rents

Maintenance

742 Maintenance of Production Plant

B. Other Gas Supply Expenses

Operation

804 Natural Gas Purchases

805 Other Gas Purchases

807 Purchased Gas Expenses

812 Gas Used in Utility Operations--Cr.

813 Other Gas Supply Expenses

2. STORAGE EXPENSES

Operation

840 Operation Supervision and Engineering

841 Operation Labor and Expenses

842 Rents

Maintenance

846 Maintenance of Local Storage Plant

3. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

850 Operation Supervision and Engineering

- 853 Operation Labor and Expenses
- 855 Fuel and Power for Compressor Stations
- 858 Transmission and Compression of Gas by Others
- 878 Meter and House Regulator Expenses
- 879 Customer Installations Expenses
- 880 Other Transmission and Distribution Expenses
- 881 Rents

Maintenance

- 887 Maintenance of Mains
- 888 Maintenance of Compressor Station Equipment
- 892 Maintenance of Services
- 893 Maintenance of Meters and House Regulators
- 894 Maintenance of Other Plant

4. CUSTOMER ACCOUNTS EXPENSES

Operation

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

5. SALES EXPENSE

Operation

- 911 Sales Expense

6. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920 Administrative and General Salaries
- 921 Office Supplies and Expenses
- 922 Administrative Expense Transferred--Cr.
- 923 Outside Service 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

1. PRODUCTION EXPENSES

A. Manufactured Gas Production Expenses

A.1. Steam Production

Operation

700. 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 production. (See operating expense instruction 1.)

701. Operation Labor.

This account shall include the cost of direct supervision and labor used in boiler rooms and elsewhere about the premises engaged in the production of steam or assignable to the production of steam.

ITEMS

1. Blowing flues.
2. Cleaning boilers.
3. Handling coal, coke and breeze from place of storage to boilers.
4. Janitorial, messenger, watchmen and similar services.
5. Operating boilers.
6. Operating elevators.
7. Pulverizing coal.
8. Pumping tar from storage tank to boilers.
9. Removing ashes.
10. Testing steam meters, gauges and other instruments.

702. Boiler Fuel.

- A. This account shall include the cost of coal, oil, gas, or other fuel used in the production of steam, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.
- B. Records shall be maintained to show the quantity and cost of each type of fuel used.

NOTE. - The cost of fuel, except gas, and related fuel stock expenses may be charged initially to appropriate fuel accounts carried under accounts 151, Fuel, and

152, Fuel Stock Expenses, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

703. Miscellaneous Steam Expenses.

This account shall include the cost of materials used and expenses incurred in the production of steam, not includible in the foregoing accounts.

ITEMS

1. Boiler compounds
2. Building service expenses.
3. Chemicals.
4. Communication service.
5. Lubricants.
6. Miscellaneous supplies.
7. Pumping supplies and expenses.
8. Purification supplies and expenses.
9. Tools, hand.
10. Waste.
11. Water Purchased.

704. Steam Transferred--Cr.

- A. This account shall include such portion of the cost of producing steam as is charged to other gas operating expense accounts, or to others or to a coordinate department under a joint facility arrangement.
- B. The records supporting the entries to this account shall be so kept that the utility can furnish readily an explanation of the bases of the credits to this account and the amounts charged to (1) other gas accounts, (2) other utility departments, and (3) outside parties under a joint facility arrangement. The records shall show, likewise, the amounts of steam production operation and steam production maintenance expenses, respectively, chargeable to each of the foregoing.

NOTE A. - If the utility produces gas by a single process at only one plant, credits need not be made to this account for the cost of steam used in such gas production facility.

NOTE B. - Where steam is produced by producer gas equipment or waste heat boilers, and such steam becomes part of the general plant supply, this account should be charged and the steam expense account in the appropriate functional group of accounts (coal gas production, water gas production, etc.) credited with the value of such steam. However, if the steam so produced is used in the same functional operation as that through which derived, such entries need not be made.

Maintenance

705. 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 production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

706. Maintenance of Structures and Improvements.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements used in steam production operations, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 2.)

707. Maintenance of Boiler Plant Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production the book cost of which is includible in account 306, Boiler Plant Equipment. (See operating expense instruction 2.)

708. Maintenance of Other Steam Production Plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production operations, the book cost of which is includible in account 320, Other Equipment. (See operating expense instruction 2.)

A.2 Manufactured Gas Production

Operation

710. 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 manufactured gas stations. Direct supervision of specific activities such as steam production and power operations, water gas generation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

711. Steam Expenses.

A. This account shall include the cost of steam used in manufactured gas

production. This includes the cost of steam transferred from the gas department's own supply and charges for steam transferred from others or from coordinate departments under joint facility arrangements. (See account 704, Steam Transferred--Cr.)

- B. This account shall be so kept as to show separately for each source of steam the point of delivery, the quantity, the charges therefor, and the bases of such charges.

712. Other Power Expenses.

This account shall include the cost of electricity or other power, except steam, used in manufactured gas operation. This includes the cost of power purchased, the operation cost of electricity or other power, such as compressed air, produced by the gas department and charges from others or from coordinate departments for power produced under joint facility arrangements.

715. Water Generating Expenses.

This account shall include the cost of labor used and expenses incurred in the operation of water gas sets exclusive of the cost of fuel and oil for water gas production.

ITEMS

Labor:

1. Supervising.
2. Work of the following character in connection with the operation of water gas sets (excepting the waste heat boiler and auxiliaries):
 - a. Inspecting, testing, clinkering, lighting and starting up.
 - b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.
 - c. Making required flow rate and operating cycle changes.
 - d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duck pockets, bootlegs, and collectors, and cleaning and reluting producer set doors.
 - e. Operating, cleaning and lubricating fuel charging lorries, blowers, valves, automatic operators, and grates, together with their instruments, gauges and controls, also the ash belt.
3. Operating, cleaning and lubricating auxiliary equipment, such as hydraulic pumps, circulating water pumps, oil pumps from storage to

- sets, steam accumulators and regulators and reducers on natural gas for reforming, exhausters, revivifying air blowers, and purifier exhausters.
4. Handling fuel from storage into bins with conveyors.
 5. Removing and disposing of ashes, carbon, sediment, and other waste material.
 6. Cleaning of generator and exhauster houses, including janitorial and similar services.

Materials and Expenses:

7. Packing, waste, lubricants, et cetera.
8. Small hand tools.

716. Oil Gas Generating Expenses.

This account shall include the cost of labor used and expenses incurred in the operation of equipment for the production of oil gas exclusive of the cost of the oil.

ITEMS

Labor:

1. Supervising.
2. Cleaning, firing and operating oil gas machines.
3. Handling oil from place of storage to oil gas sets.
4. Measuring oil.
5. Removing and disposing of carbon deposits, and other cleaning and incidental labor.
6. Packing, waste, lubricants, etc.
7. Small hand tools.

717. Liquefied Petroleum Gas Expenses.

This account shall include the cost of labor used and expenses incurred in the operation of equipment used for vaporizing petroleum derivatives such as propane, butane, or gasoline, exclusive of cost of the materials vaporized or used for fuel in the vaporizing process.

ITEMS

Labor:

1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.
4. Inspecting and testing equipment and setting and adjusting controls and

- regulators.
5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.
 6. Repressuring storage tanks.

Materials and Expenses:

7. Packing, waste, lubricants, etc.
8. Small hand tools.

718. Other Process Production Expenses.

This account shall include the cost of labor used and expenses incurred in operating equipment used for the production of gas by processes not provided for in the foregoing accounts.

721. Water Gas Generator Fuel.

- A. This account shall include the cost of fuel used in making water gas, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or net proceeds from, the disposal of ashes.
- B. Records shall be kept to show the quantity and cost of each type of fuel used.

NOTE. - The cost of fuel and related fuel stock expenses may be charged initially to the appropriate fuel accounts carried under accounts 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

722. Fuel for Oil Gas.

This account shall include the cost of fuel for the manufacture of gas by the oil gas process.

722.1 Fuel For Oil Gas - CGAC Allowable.

This account shall include only the average inventory cost of oil used as fuel (heat oil) for the manufacture of gas by the gas process, for firm gas sendout.

Inventory costs shall not include transportation, unloading, or related costs when these operations are performed by the utility. When performed by others, such costs are permitted.

723. Fuel for Liquefied Petroleum Gas Process.

This account shall include the cost of fuel for vaporization of liquefied petroleum gas and for the compression of air in liquefied petroleum gas process.

723.1 Fuel For Liquefied Petroleum Gas Process - CGAC Allowable.

This account shall include only the average inventory cost of feedstock, fuels and energy sources, used for the vaporization of liquefied petroleum gas and for the compression of air in the liquefied petroleum gas process, for firm gas sendout. Inventory costs shall not include transportation, unloading, storage, or related costs when these operations are performed by the utility. When performed by others such costs are permitted.

724. Other Gas Fuels.

This account shall include the cost of fuel for the manufacture of gas by processes not provided for in the above fuel accounts.

724.1 Fuel For SNG Production - CGAC Allowable.

This account shall include only the cost of fuel used for the manufacture of substitute natural gas, for firm gas sendout.

Inventory costs shall not include transportation, unloading, storage, or related costs when these operations are performed by the utility. When performed by others, such costs are permitted.

726. Oil for Water Gas.

- A. This account shall include the cost of oil used in carbureting water gas, including applicable amounts of fuel stock expenses.
- B. Records shall be kept to show the type, quantity, and cost of oil used.

NOTE. - The cost of oil and related fuel stock expenses may be charged initially to the appropriate accounts carried under accounts 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of oil used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

727. Oil for Oil Gas.

- A. This account shall include the cost of oil used in making oil gas, including applicable amounts of fuel stock expenses.

- B. Records shall be kept to show the type, quantity, and cost of oil used.

NOTE. - The cost of oil and related fuel stock expenses may be charged initially to the appropriate raw materials account carried under account 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of oil used. See Accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

727.1 Oil For Oil Gas - CGAC Allowable.

This account shall include only the average inventory cost of oil (make oil) used for conversion to oil gas, for firm gas sendout.

Inventory costs shall not include transportation, unloading, storage, or related costs when these operations are performed by the utility. When performed by others, such costs are permitted.

728. Liquefied Petroleum Gas.

- A. This account shall include the cost of liquefied petroleum gas, such as propane, butane, or gasoline, vaporized for mixing with other gases or for sale unmixed, including applicable amounts of fuel stock expenses.
- B. Records shall be kept to show the type, quantity, and cost of liquefied petroleum gas.

NOTE. - The cost of liquefied petroleum and related fuel stock expenses may be charged initially to the appropriate accounts under accounts 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of liquefied petroleum gas used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

728.1 Liquefied Petroleum Gas - CGAC Allowable.

This account shall include only the average inventory feedstock cost of liquefied petroleum gas used for firm gas sendout. Inventory costs shall not include transportation, unloading, storage, or related costs when these operations are performed by the utility. When performed by others, such costs are permitted. Reasonable costs for LPG supply options allocable to firm gas sendout are allowed.

729. Raw Materials for Other Gas Processes.

- A. This account shall include the cost of raw materials used in the production of manufactured gas by any process not provided for by the foregoing accounts including the production of coal gas by use of retorts, including applicable amounts of fuel stock expenses.

- B. Records shall be kept to show the type, quantity, and cost of each raw material used, comparable to the accounting specified in the foregoing accounts for specified types of gas processes.

NOTE. - The cost of raw materials and fuel stock expenses may be charged initially to the appropriate accounts carried under accounts 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of raw materials used. See accounts 151 and 152 for basis of raw materials costs and includible items of raw materials stock expenses.

729.1 Feedstock For SNG Production - CGAC Allowable.

This account shall include only the average inventory costs of liquefied petroleum gas, or other feedstock used by the utility for conversion to substitute natural gas, for firm gas sendout.

Inventory costs shall not include transportation, unloading, storage, or related costs when these operations are performed by the utility. When performed by others, such costs are permitted.

730. Residuals Expenses.

- A. This account shall include the cost of labor, materials used and expenses incurred, including uncollectible accounts, in obtaining, handling, preparing, refining, and marketing residuals produced in manufactured gas production processes.
- B. Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or byproduct carried in account 731, Residuals Produced - Cr.

731. Residuals Produced - Cr.

- A. This account shall be credited and the appropriate subdivision of account 153, Residuals and Extracted Products, debited monthly with the estimated value of residuals and other byproducts obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.
- B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of account 153, Residuals and Extracted Products, with the difference.

732. Purification Expenses.

This amount shall include the cost of labor, materials used and expenses incurred in operating purification equipment and apparatus used for conditioning manufactured gas.

ITEMS

Labor:

1. Supervising.
2. Operating conveyors, condensers, coolers, tar extractors and precipitators, shaving scrubbers and naphthalene and light oil scrubbers.
3. Emptying, rearranging, shifting, cleaning, purging, and refilling purifier boxes.
4. Removing spent oxide to refuse pile.
5. Revivifying oxide.
6. Oiling dip sheets of purifier boxes.
7. Inspecting, testing, controlling adjustments, and taking stains.
8. Cleaning and lubricating purification equipment.

Materials and Expenses:

9. Iron Oxide.
10. Unslacked lime.
11. Shavings.
12. Soda ash for liquid purifiers.
13. Wash oil for naphthalene scrubber.
14. Sulphuric acid.

733. Gas Mixing Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating equipment for mixing natural and manufactured gas, or vaporized liquefied petroleum gases for delivery to the distribution system.

ITEMS

Labor:

1. Supervising.
2. Mixing enrichment gas and other gases or air, including mixing of liquid petroleum gas with air in a liquid petroleum air gas plant, and operation of air jetting equipment and controls.
3. Operating, cleaning and lubricating of cleaners, reducers, calorimeters,

calorimixers, appliances and mixing apparatus with their related recorders, gauges, valves and controls, and gravimeters.

4. Inspecting, testing and adjusting mixing equipment.
5. Reading instruments and gauges, changing charts, and recording instrument and gauge readings.

Materials and Expenses:

6. Packing, waste, lubricants, etc.
7. Small hand tools.
8. Building service, communication service, transportation.

734. Duplicate Charges - Cr.

This account shall include concurrent credits for charges which are made to manufactured gas production operating expenses for manufactured gas not entering common system supply, steam or electricity used for which there is no direct money outlay.

NOTE. - For manufactured gas used from the common system supply, concurrent credit shall be made to account 812, Gas Used for Other Utility Operations--Cr.

735. Miscellaneous Production Expenses.

This account shall include the cost of labor, materials used and expenses incurred in manufactured gas production operations not includible in any of the foregoing accounts.

ITEMS

Labor:

1. Supervising.
2. Cleaning gas works yard of coke dust and other waste materials.
3. Humidifying gas or oil fogging gas at the production plant.
4. Cutting grass and care of the grounds around the gas works.
5. Clearing gas works yard of snow.
6. Janitor service and messenger service.
7. Operating elevators and other conveyances for general use at the gas works.
8. General clerical and stenographic work at gas works.
9. Guarding and patrolling plant and yard.
10. Testing plant instruments not elsewhere provided for.
11. Laboratory labor, except that chargeable to other accounts.

12. Reading manufactured gas meters, and calculating and recording hourly volumes produced.
13. Pumping drips (water) at plant (not provided for elsewhere).
14. Odorizing manufactured gas.
15. Operating, cleaning, and lubricating of air compressors with their tanks, instruments, meters, gauges, and controls when used to supply compressed air into the plant's air system.
16. Operating effluent water treatment systems, including chemical treatment ozonation, filter, and related equipment, including treatment of carbon and residual sludge, and removing spent oxide, and spent filtering materials.
17. Pumping water for cooling and condensing.
18. Cleaning filters and other operating duties of water system.

Materials and Expenses:

19. Building service, communication service, transportation.
20. First aid supplies and safety equipment.
21. Office supplies, printing and stationery.
22. Meals, travelling and incidental expenses.
23. Fuel for heating plant, water for fire protection or general use, and similar items.
24. Lubricants, packing, waste, etc.
25. Odorizing chemicals.
26. Hand tools, drills, saw blades, files, etc.
27. Fire protection supplies.
28. Fogging oils, alcohol, etc.
29. Chemicals, filter materials, etc. and payments to others for disposal of plant effluents and waste.
30. Chemicals for water treatment.

736. Rents.

This account shall include rents for property of others used, occupied or operating in connection with manufactured gas production operations. (See operating expense instruction 3.)

Maintenance

740. Maintenance Supervision and Engineering.

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

741. Maintenance of Structures and Improvements.

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 305, Structures and Improvements. (See operating expense instruction 2.)

742. Maintenance of Production Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment for the production of manufactured gas, the book cost of which is included in accounts 306 to 320, inc., except such equipment as is used for the production of steam, the maintenance of which is includible in accounts 707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 2.)

Operation

804. Natural Gas City Gate Purchases.

- A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.
- B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of the charges, and the amount paid for the gas.

NOTE. - Do not credit this account for gas used in reforming for which the cost is charged to manufactured gas production expenses. Credits for such gas should be made to account 812, Gas Used for Other Utility Operations - Cr.

804.1 Natural Gas City Gate Purchases - CGAC Allowable.

This account shall include only the cost at point of receipt by the utility of pipeline natural gas purchases and used directly for firm gas sendout. To determine the above costs, the costs and volumes of natural gas purchased shall be adjusted for other uses such as underground storage, conversion to liquefied natural gas, interruptible sales, wholesale sales, etc. Late payment and finance charges shall not be included.

804.2 (Reserved for Future Use), CGAC Allowable.

804.3 (Reserved for Future Use), CGAC Allowable.

805. Other Gas Purchases.

- A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than any mixed gas in which the natural gas is an important proportion of the mixture.
- B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, Btu content, basis of the charges, and the amount paid for the gas.

806. Exchange Gas.

- A. This account shall include debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party in exchange for delivery of gas to such other party and receipt and delivery of such gas is not completed during the accounting period. Contra entries to those in this account shall be made to account 174, Miscellaneous Current and Accrued Assets, for exchange gas receivable and to account 242, Miscellaneous Current and Accrued Liabilities, for exchange gas deliverable. Such entries shall be reversed and appropriate contra entries made to this account when gas is received or delivered in satisfaction of the amounts receivable or deliverable. This account is not required for minor transactions.
- B. If revenue is earned or amounts are payable in consideration of the performance of exchange services, such revenue or expense should be recorded in account 495, Other Gas Revenues, or account 813, Other Gas Supply Expenses, as appropriate. See, however, accounts 489, Revenues from Transportation of Gas of Others, and 858, Transmission and Compression of Gas by Others, for transactions which, in fact, are for transportation of gas rather than exchange of gas.
- C. Records shall be maintained so that there is readily available for each gas exchange the volume of gas received and delivered whether or not entries of dollar amounts to this account are required.

807. Purchased Gas Expenses.

This account shall include expenses incurred directly in connection with the purchase of gas for resale.

808.1 Liquefied Natural Gas - CGAC Allowable.

This account shall include only the average inventory cost of LNG used for firm gas sendout.

When liquefied by the utility the inventory cost of LNG shall include only the

cost of natural gas, the cost of fuels and energy sources used in the liquefaction process, and the cost of fuels and energy sources used to vaporize the LNG.

When purchased from, or processed by others, the costs shall include all reasonable charges, except that charges for storage and for leased or rented equipment used to process or store gas owned by the utility, shall not be included in the clause.

808.2 Deferred Cost Of Gas - Firm Gas Sales.

This account shall be used to record deferred gas costs for firm gas customers by utilities using the deferral method for recording gas costs.

810. Gas Used for Compressor Station Fuel - Cr.

This account shall include concurrent credits for charges which are made to operating expenses for gas consumed for compressor station fuel from the common system gas supply.

811. Gas Used for Products Extraction - Cr.

This account shall include concurrent credits for charges which are made to products extraction expenses for gas shrinkage and gas used for fuel in products extraction operations of the utility and for similar uses of gas of the utility by others processing gas of the utility for extraction of salable products.

812. Gas Used for Other Utility Operations - Cr.

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas consumed from the common system supply for operating and utility purposes other than uses for which credits are includible in any of the foregoing accounts. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

813. Other Gas Supply Expenses.

This account shall include the cost of labor and materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts.

2. LOCAL STORAGE EXPENSES

Operation

840. 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 local storage facilities. Direct supervision of specific activities such as operation of gas holders shall be charged to the appropriate account. (See operating expense instruction 1.)

841. Operation Labor and Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating storage holders and other local storage equipment.

ITEMS

Labor:

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machines, valves, instruments, and other local storage equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Pumping inlet and outlet holder drips.
5. Inspecting and testing equipment when not specifically for repairs or replacement of parts.
6. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.
7. Cleaning and repairing hand tools used for operations, etc.
8. Operating steam lines for heating storage facilities.

Materials and Expenses:

9. Charts for pressure gauges and meters, printed forms, etc.
10. Lubricants, wiping rags, waste, etc.
11. Employee travel and transportation expenses.
12. Janitor and washroom supplies, landscaping supplies, etc.
13. Freight, express, parcel post, trucking, and other transportation.
14. Utility services: light, water, and telephone.
15. Steam for holder caps.
16. Variation of gas in holders.

842. Rents.

This account shall include rents for property of others used or operated in connection with local storage operations. (See operating expense instruction 3.)

Maintenance

843. Maintenance Supervision and Engineering.

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

844. Maintenance of Structures and Improvements.

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 361, Structures and Improvements. (See operating expense instruction 2.)

845. Maintenance of Gas Holders.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of gas holders, the book cost of which is includible in account 362, Gas Holders. (See operating expense instruction 2.)

846. Maintenance of Other Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 363, Other Equipment. (See operating expense instruction 2.)

3. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

850. 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 transmission and distribution facilities. Direct supervision of specific activities such as operation of compressor stations, load dispatching, mains operation, removing and resetting meters, etc. shall be charged to the appropriate account. (See operating expense instruction 1.)

851. System Control and Load Dispatching.

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of gas through the system.

ITEMS

Labor:

1. Supervising.
2. Analyses of pressures for irregularities, as received.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling production and storage inputs and withdrawals.
7. Instructing field men to increase or decrease pressures at regulators.
8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.
9. Maintaining pressure log sheets.
10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.
11. Maintaining lowest necessary line pressures consistent with satisfactory service.
12. Maintaining well operation record by well classification.
13. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.
14. Rerouting gas during emergencies and planned shutdowns.

Materials and Expenses:

15. Consultants' fees and expenses.
16. Meals, traveling, and incidental expenses in connection with system load dispatching.
17. Office supplies, stationery and printed forms.
18. Transportation: company and rental vehicles.
19. Utility services: light, water, telephone.

852. Communication System Expenses.

- A. This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of communication facilities, such as radio and telephone communication systems, including payments to others for communication services.
- B. Credits shall be made to this account and charges made to production and other gas utility functions and to other utility departments for equitable portions of communication expenses attributable to use of communication facilities other than in connection with gas transmission and distribution operations.

ITEMS

Labor:

1. Supervising.
2. Operating switchboards, radio equipment, power generators, microwave equipment, etc. (except general office switchboards).
3. Tagging telephone poles.
4. Testing and replacing telephone batteries, radio tubes, etc.
5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.
6. Changing radio frequencies.
7. Securing FCC authorization to change frequencies.
8. Taking FCC radio operator tests.
9. Transferring mobile radios between vehicles.
10. Changing locations of telephones and other communication equipment not in connection with maintenance or construction.
11. Inspecting and testing not specifically to determine necessity for repairs.
12. Cleaning and lubricating equipment.
13. Cleaning structures housing equipment.

Materials and Expenses:

14. Payments to others for communication services.
15. Telephone batteries, radio tubes, etc.
16. Radio crystals and other materials used in changing radio frequencies.
17. Lubricants, wiping rags, and waste.
18. Employees' transportation and travel expenses.
19. Freight, expense, parcel post, trucking, and other transportation.

853. Compressor Station Labor and Expenses.

This account shall include the cost of labor, materials used and expenses incurred (other than fuel and power) in operating transmission and distribution compressor stations.

ITEMS

Labor:

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment not specifically to determine necessity for repairs.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks.
13. Watching during shutdowns.
14. Clerical work at station.

Materials and Expenses:

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to treat water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

855. Fuel and Power for Compressor Stations.

- A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of transmission and distribution compressor stations, including applicable amounts of fuel stock expenses.
- B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, the average Btu content per fuel unit, and the cost of such fuel or power.

NOTE. - The cost of fuel, includible in this amount, and related fuel stock expenses may be charged initially to appropriate fuel accounts carried in accounts 151, Fuel, and 152, Fuel Stock Expenses, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

857. Measuring and Regulating Station Expenses.

This account shall include the cost of labor, materials used and expenses

incurred in operating transmission and distribution measuring and regulating stations.

ITEMS

Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except as purchases and sales.
4. Calculating gas volumes from meter charts, except gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc. not in connection with construction or maintenance.
6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineers' equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs, including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing reports of operation, etc.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

Materials and Expenses:

15. Charts and printed forms.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expenses.
18. Freight, express, parcel post, trucking and other transportation.
19. Utility services: light, water, telephone.

858. Transmission and Compression of Gas by Others.

- A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.
- B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, Mcf of gas delivered to the

other party for transmission or compression of the Mcf of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

NOTE. - If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transmission or compression service.

874. Mains and Services Expenses.

This account shall include the cost of labor, materials used and expenses incurred in operating transmission and distribution system mains and services.

ITEMS

Labor:

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, foot bridges, stiles, etc. used in main operations, erecting line markers and warning signs, etc.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing equipment not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating and inspecting valve boxes or drip riser boxes, service lines, mains, etc.
11. Cleaning and repairing tools used in mains operations, making tool boxes, etc.
12. Cleaning structures and equipment.
13. Driving trucks used in mains and service operations.
14. Making routine leak survey.
15. Oil fogging.

Materials and Expenses:

16. Line markers and warning signs.
17. Lumber, nails, etc., used in building and repairing gate boxes, foot

- bridges, etc.
- 18. Charts.
- 19. Scrubber oils.
- 20. Hand tools.
- 21. Lubricants, wiping rags, waste, etc.
- 22. Freight, express, parcel post, trucking and other transportation.
- 23. Uniforms.
- 24. Employee transportation and travel expenses.
- 25. Janitor and washroom supplies.
- 26. Utility services: light, water, telephone.
- 27. Gas used in mains operations.
- 28. Oil for fogging.

878. Meter and House Regulator Expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

ITEMS

Labor:

- (a) Removing, reinstalling, and changing or exchanging customer meters and house regulators:
 - 1. Initiating or terminating service, including incidental meter reading.
 - 2. Periodic replacement of meters and house regulators because of age.
 - 3. Changing or exchanging meters and house regulators because of complaints or removal for inspection.
 - 4. Resetting meters on existing connections.
 - 5. Handling meters and house regulators to and from customer premises and meter shop.
 - 6. Listing, tagging, and placing meter labels, etc., for removed and reset meters.
 - 7. Changing position of meters or house regulators on the same premises.
 - 8. Installing or removing blank linings.
 - 9. Unproductive calls, etc.
- (b) Turning on and turning off meters, except for failures of customers to pay bills:
 - 10. Turning on meters, including necessary time to insure that gas lines are proper to use and that appliances are in usable condition.
 - 11. Turning off meters, including time to make safety precautions.
- (c) Other:
 - 12. Supervising.

13. Clerical work on meter history and associated equipment record cards, test cards, and reports.
14. Handling and recording meters for stock.
15. Inspecting and testing meters and house regulators.
16. Inspecting and adjusting meter testing equipment.
17. Driving trucks used in meter operations.

Materials and Expenses:

18. Meter locks and seals.
19. Lubricants, wiping rags, waste, etc.
20. Uniforms.
21. Freight, express, parcel post, trucking, and other transportation.
22. Utility services: light, water, telephone, heating.
23. Office supplies, stationery and printing.
24. Employees' transportation expenses.
25. Janitor, washroom, first aid supplies, etc.

NOTE. - The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, account 380, Services, or account 383, House Regulators, as appropriate.

879. Customer Installations Expenses.

- A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 878, Meter and House Regulator Expenses, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.
- B. Damage to customer equipment by employees of the utility, whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

ITEMS

Labor:

1. Supervising.
2. Altering customer-owned service extensions or meter connections.
3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping.
4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system.
5. Oiling or spraying noisy customer meters.

6. Investigating and stopping gas leaks on customers' premises caused by defective meter, customer-owned piping, or customer appliances.
7. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
8. Consolidated meter installations, without change of size, due to elimination of separate meters for different service classifications.
9. Investigating and adjusting complaints of service on customers' premises.
10. Gas load surveys, including the incidental preparations and replacement of meters.
11. Unproductive calls.
12. Stenographic and clerical work.
13. Janitorial service, etc.
14. Installing demand or test meters.
15. Inspecting, cleaning, repairing and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.
16. Replacing defective parts in customer-owned appliances and salvaging reusable appliance parts.

Materials and Expenses:

17. Lubricants, wiping rags, waste, etc.
18. Uniforms.
19. Replacement parts for appliances.
20. Office supplies, printing and stationery.
21. Janitor, washroom, first aid supplies, etc.
22. Employees' transportation and travel expenses.
23. Utility services: light, water, telephone.

NOTE. - 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 488, Miscellaneous Service Revenues.

880. Other Expenses.

This account shall include the cost of transmission and distribution maps and records, transmission and distribution office expenses, and the cost of labor and materials used and expenses incurred in transmission and distribution system operations not provided for elsewhere, including the expenses of operating street lighting systems.

881. Rents.

This account shall include rents for property of others used, occupied or

operated in connection with the operation of the transmission and distribution system. Include herein rentals paid for regular sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 3.)

Maintenance

885. Maintenance Supervision and Engineering.

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

886. Maintenance of Structures and Improvements.

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 366, Structures and Improvements. (See operating expense instruction 2.)

887. Maintenance of Mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transmission and distribution mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 2.)

ITEMS

1. Supervising.
2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired.
4. Municipal inspections relating to maintenance work.
5. Other work of the following character:
 - a. Locating leaks incident to maintenance.
 - b. Cutting off mains without replacement. (Minor cuts not retired.)
 - c. Repairing leaking joints.
 - d. Repairing broken mains.
 - e. Repairing leaks on main drip riser or valve test pipe.
 - f. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
 - g. Cleaning, repainting, coating and wrapping exposed mains.
 - h. Repacking main valves.
 - i. Locating and clearing gas main faults.

- j. Lowering and changing location of mains.
- k. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
- l. Watching and lamping open cuts associated with maintenance.
- m. Restoration of permanent pavement in connection with work chargeable to maintenance.
- n. Emergency stand-by time associated with maintenance.
- o. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
- p. Making electrolysis tests to maintain life of plant.
- q. Repairing property of others damaged by maintenance work.

888. Maintenance of Compressor Station Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 2.)

889. Maintenance of Measuring and Regulating Station Equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includable in account 369, Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

892. Maintenance of Services.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of services, the book cost of which is includible in account 380, Services. (See operating expense instruction 2.)

ITEMS

- 1. Supervising.
- 2. Testing pipe for leaks and condition of wrapping.
- 3. Testing for, locating, and clearing trouble on company-maintained services.
- 4. Inspecting and testing after repairs have been made.
- 5. Reporting on the condition of gas services to determine the need for repairs.
- 6. Making minor repairs and changes.
- 7. Rearranging and changing the location of services not retired.
- 8. Repairing service valves for reuse.
- 9. Stopping leaks on service pipes and drip risers.

10. Lowering and raising curb boxes to grade.
11. Replacing less than a complete service, when not retired.
12. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
13. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
14. Restoring condition of services damaged by fire, storm, leakage, flood, accident or other casualties.
15. Repairing property of others damaged by maintenance work.
16. Transferring services in connection with the installation of new mains.
17. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
18. Converting low pressure gas distribution service to medium or high pressure service.
19. Relocating and rerouting gas service temporarily during alterations of buildings.
20. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
21. Replacing service valve box or drip riser box.
22. Installing, removing or replacing service valve, drip pot, or drip riser.
23. Repacking service valve.

893. Maintenance of Meters and House Regulators.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 2.)

ITEMS

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.
5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or worn parts.
6. Replacing or adding any item not constituting a retirement unit.

894. Maintenance of Other Equipment.

This account shall include the cost of labor, materials used and expenses

incurred in the maintenance of street lighting equipment and all other transmission and distribution system equipment not provided for elsewhere, the book cost of which is includible in accounts 386, Other Property on Customers' Premises, 387, Other Equipment, and 397, Communication Equipment. (See operating expense instruction 2.)

4. CUSTOMER ACCOUNTS EXPENSES

Operation

901. Supervision.

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 1.)

902. Meter Reading Expenses.

This account shall include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption when performed by employees engaged in reading meters.

ITEMS

Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Meter reading--small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 878, Meter and House Regulator Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)
5. Measuring gas--large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.
6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
7. Collecting from prepayment meters when incidental to meter reading.

8. Maintaining record of customers' keys.
9. Computing estimated or average consumption when performed by employees engaged in reading meters.

Materials and Expenses:

10. Badges, lamps, and uniforms.
11. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
12. Postage and supplies used in obtaining meter readings by mail.
13. Transportation, meals, and incidental expenses.

903. Customer Records and Collection Expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing

- reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
 16. Disconnecting and reconnecting service because of nonpayment of bills.
 17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
 18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.
 19. Preparing and periodically rewriting meter reading sheets.
 20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and Expenses:

21. Address plates and supplies.
22. Cash coverages and shortages.
23. Commissions or fees to others for collecting.
24. Payments to credit organizations for investigations and reports.
25. Postage.
26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure.
27. Transportation, meals, and incidental expenses.
28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
29. Forms for recording orders for services, removals, etc.
30. Rent of mechanical equipment.

NOTE. - The cost of work on meter history and meter location records is chargeable to account 878, Meter and House Regulator Expenses.

904. Uncollectible Accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 260, Reserve for Uncollectible Accounts - Cr. Losses from uncollectible accounts shall be charged to account 260.

905. Miscellaneous Customer Accounts Expenses.

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

ITEMS

Labor:

1. General clerical and stenographic work.
2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902, Meter Reading Expenses, and 903, Customer Records and Collection Expenses.

5. SALES EXPENSES

Operation

911. Supervision.

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising, shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

912. Demonstrating and Selling Expenses.

This account shall include the cost of labor, materials used and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

ITEMS

Labor:

1. Demonstrating uses of utility services.
2. Conducting cooking schools, preparing recipes, and related home service activities.

3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.
4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.
5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.
6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.
7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

Materials and Expenses:

8. Supplies and expenses pertaining to demonstration, and experimental and development activities.
9. Booth and temporary space rental.
10. Loss in value on equipment and appliances used for demonstration purposes.
11. Transportation, meals, and incidental expenses.

913. Advertising Expenses.

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

ITEMS

Labor:

1. Direct supervision of department.
2. Preparing advertising material for newspapers, periodicals, bill-boards, etc., and preparing and conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

Materials and Expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc., for sales promotion purposes, but not including institutional or goodwill advertising includible in account 930, Miscellaneous General Expenses.

8. Materials and services given as prizes or otherwise in connection with canning, or cooking contests, bazaars, etc., in order to publicize and promote the use of utility services.
9. Fees and expenses of advertising agencies and commercial artists.
10. Novelties for general distribution.
11. Postage on direct mail advertising.
12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.
13. Printing booklets, dodgers, bulletins, etc.
14. Supplies and expenses in preparing advertising material.
15. Office supplies and expenses.

NOTE A. - The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invite the reader to purchase appliances from his dealer, or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to account 415, Income from Merchandising, Jobbing and Contract Work.

NOTE B. - Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and account 415, Income from Merchandising, Jobbing and Contract Work, on the basis of the estimated space used for each purpose.

NOTE C. - Exclude from this account and charge to account 930, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all institutional or good will advertising. (See account 930, Miscellaneous General Expenses.)

916. Miscellaneous Sales Expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

ITEMS

Labor:

1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

Materials and Expenses:

4. Communication service.
5. Printing, postage, and office supplies and expenses applicable to sales activities, except those chargeable to account 913, Advertising Expenses.

6. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

920. Administrative and General Salaries.

- A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.
- B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

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 Expenses.
- 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 the 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 gas 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 damages 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 the 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 damage 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 bodies.

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, or orders, of the Department or other regulatory bodies.

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 elsewhere provided for.

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 good will 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, and account 398, Miscellaneous Equipment. (See operating expense instruction 2.)
- B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Manufactured gas production	Account 708, 742
Local Storage	Account 846
Transmission and Distribution expenses	Account 894
Merchandise and jobbing	Account 415
Garages, shops, etcetera	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 accounts indicated by the use of the equipment.

SUPPLEMENT TO

UNIFORM SYSTEM OF ACCOUNTS

For Gas Companies for Application
to Municipal Lighting Plants--Gas

- 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 gas department of the municipality, with the same force and effect as in the case of Gas Companies subject to the jurisdiction of the Department.

- B. Whenever the term "gas department" is used in this supplement, it shall be understood to mean the gas 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 gas works themselves and their operations.
- C. Separate accounts and accounting records shall be maintained for the gas department as though it were a separate corporation.
- D. In order that the books of the gas department may show accurately the results of operations, the gas 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 gas operations shall include the cost of all items applicable thereto, including expenses of the gas 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 gas department.
- F. These provisions are intended to make possible accurate determination of the results of operations of the gas department by including in the operating accounts all applicable items, whether or not they represent actual payments.
- G. 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 Gas 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 Gas 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 gas, the statutes require that there shall be appropriated and included in the tax levy an amount not less than the estimated cost of gas 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 requirement), such excess of 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 gas used for street lights the sum of _____ dollars, and that said sum and the income from sales of gas to private consumers or for gas supplied to municipal buildings 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 M.G.L. c. 164, § 57, 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."

BALANCE SHEET ACCOUNTS

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 M.G.L. c. 164, § 57. 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 purposes." 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 Notes Receivable

143 Other Accounts Receivable

146 Receivables from Municipality

This account shall include all charges by the gas department against the municipality or its other departments which are subject to current settlement.

151 Materials and Supplies

Equivalent of accounts 151, 152, 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 Debts

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 Debts

Equivalent of accounts 183, 184, 185 and 186 of the foregoing main body of this System of Accounts.

LIABILITIES AND OTHER CREDITS

5. Appropriations

201 Appropriations for Construction

All appropriations of the municipality for the gas 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 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 gas 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 gas 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 gas plant accounts.

407.1 Amortization of Property Losses

407.2 Amortization of Conversion Expenses

408 Taxes

Total Operating Expenses

Operating Income

414 Other Utility Operating Income

Total Operating Income

2. OTHER INCOME

415 Income 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 GAS

- 480 Residential Sales
- 481 Commercial and Industrial Sales

- 482 Municipal Sales
 - This account shall include all revenue derived from gas furnished the city or town owning and operating the plant; also the revenue derived from the sale of gas to other municipalities.

- 483 Other Sales
 - This account shall include all revenues from sales of gas not properly includible in any of the preceding accounts.

2. OTHER OPERATING REVENUES

- 493 Rent from Gas Property

- 495 Other Gas Revenues
 - Equivalent of accounts 487 and 488.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. PRODUCTION EXPENSES

- A. Manufactured Gas Production

Operation

- 700 Operation Supervision and Engineering
Equivalent of A Company accounts 700, 710
- 724 Fuel
Equivalent of A Company accounts 702, 721, 722, 723, 724
- 729 Raw Materials
Equivalent of A Company accounts 726, 727, 728, 729
- 731 Residuals Produced--Cr.
- 735 Operation Labor and Expense
Equivalent to A Company accounts 701, 703, 711, 712, 715, 716, 717,
718, 730, 732, 733, 734, 735
- 736 Rents

Maintenance

- 742 Maintenance of Production Plant
Equivalent of A Company accounts 705, 706, 707, 708, 740, 741, 742

B. Other Gas Supply Expenses

Operation

- 804 Natural Gas Purchases
- 805 Other Gas Purchases
- 807 Purchased Gas Expenses
- 812 Gas Used in Utility Operations
Equivalent of A Company accounts 811, 812
- 813 Other Gas Supply Expenses

2. STORAGE EXPENSES

Operation

- 840 Operation Supervision and Engineering
- 841 Operation Labor and Expenses
- 842 Rents

Maintenance

- 846 Maintenance of Local Storage Plant
Equivalent of A Company accounts 843, 844, 845, 846

3. TRANSMISSION AND DISTRIBUTION EXPENSES

Operation

- 850 Operation Supervision and Engineering
Equivalent of A Company accounts 850, 851
- 855 Compressor Station Fuel and Power
- 853 Operation Labor and Expenses
Equivalent of A Company accounts 852, 853, 857, 874
- 858 Transmission and Compression of Gas by Others
- 878 Meter and House Regulator Expenses
- 879 Customer Installations Expenses
- 880 Other Transmission and Distribution Expenses
- 881 Rents

Maintenance

- 887 Maintenance of Mains
- 888 Maintenance of Compressor Station Equipment
Equivalent of A Company accounts 888, 889
- 892 Maintenance of Services
- 893 Maintenance of Meters and House Regulators
- 894 Maintenance of Other Plant
Equivalent of A Company accounts 886, 894

4. CUSTOMER ACCOUNTS EXPENSES

Operation

- 902 Meter Reading Labor and Expenses
- 903 Accounting and Collecting Labor and Expenses
Equivalent of A Company accounts 901, 903
- 904 Uncollectible Accounts
- 905 Miscellaneous Customer Accounts Expenses

5. SALES EXPENSE

Operation

- 911 Sales Expense
Equivalent of A Company accounts 911, 912, 913, 916

6. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

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

Maintenance

- 932 Maintenance of General Plant

REGULATORY AUTHORITY

220 CMR 50.00: M.G.L .c. 164, §§ 63 and 81.