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§ 684.1 Depreciation accounting

(a) Depreciation charges shall be such that the loss in service value of the property shall be distributed proportionately over the property's service life. The depreciation rates shall be reviewed periodically and adjusted as required, so that the depreciation accrual will bear a reasonable relationship to the cost of plant in service, its remaining service life, the estimated net future salvage, and to the balance of the accumulated depreciation.

(b) The utility shall maintain a separate accumulated depreciation subaccount for each depreciable plant account and plant subaccount.

§ 684.2 Joint operations

(a) In instances where radio-telephone utility businesses such as sales and repair of electronic and radio equipment, are conducted as part of, or are commingled with the radio-telephone utility operations, a segregation shall be maintained, insofar as practicable, of assets, liabilities, revenues and expenses.

(b) The radio-telephone utility shall be prepared, upon request, to make a reasonable allocation of its investment in assets that are used jointly in the radio-telephone utility operations and nonutility businesses, and expenses that relate to more than one of the operations.

§ 684.3 Operating property retired

(a) When an item of radio-telephone utility plant is retired, account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, shall be charged and the appropriate plant accounts shall be credited with the entire recorded original cost of plant retired regardless of the amount of depreciation which has been accumulated for this particular item of plant, except as provided in subdivision (b) which follows. Account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, shall also be charged with the costs of removal of retired plant, and shall be credited with the salvage value, sales price or other amounts recovered from plant retired.

(b) In rare instances, the unexpected early retirement of a major unit of property which would eliminate or seriously deplete the existing accumulated depreciation may require accounting treatment which differs from that described in subdivision (b) above. In such instances the commission may authorize or order the loss on retirement, less any tax savings, to be charged directly to account 413, Extraordinary and Delayed Items--Net, or to account 117, Deferred Debits, and amortize in future periods. Such accounting treatment shall be used only when specifically authorized or directed by the commission.

§ 684.4 Operating revenues, segregation of

Utilities generating significant amounts of revenue through offering multiple services may, at their option, segregate revenues by the various types of one-way and two-way services such as tone only, tone and voice, hand portable, radio-telephone utility and vehicle-mounted radio-telephone utility services.

§ 684.5 Radio-telephone utility plant accounts

(a) All radio-telephone utility plant shall be recorded at original cost. Except that original cost of plant acquired from another utility or radio-telephone utility prior to the date a utility becomes subject to this system of accounts may be estimated, if not known. Adjustments to reflect such estimated cost shall be made in accordance with the text of account 102, Radio-telephone Plant Acquisition Adjustments.

(b) Each company shall establish a list of property units having the following characteristics:

(1) Groupings or property units should conform with the plant accounts prescribed in this system of accounts.

(2) Property units should be suitable for retirement purposes and should be neither so large as to cause most replacements to be charged to maintenance, nor so small and numerous as to make accounting and recordkeeping burdensome.

Note: See List A (List A is set out at the end of the system of accounts for Classes 1 and 2, infra.) for suggested list of property units.

#### § 684.6 Work order system recommended

It is recommended that utilities use a work order system for recording plant additions and retirements. The work orders should contain the date, description and location of each plant addition and retirement, together with an itemized record of materials, labor and other costs, and the plant or other accounts to be charged or credited.

#### § 684.7 Items lists

Lists of items appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

#### § 684.8 Transactions with associated companies

(a) Each company shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature. Nothing herein contained, however, shall be construed as restraining the company from subdividing accounts for the purpose of recording separately transactions with associated companies.

(b) If a clearing account is not maintained for each associated company in which all gross charges by that company are entered and from which they are distributed, all charges of any nature whatsoever by any associated company shall be credited at the gross amounts involved to a subaccount for that company under the appropriate subdivisions of accounts 160, Long-term Debt, and 175, Other Current Liabilities, even though immediately transferred to an account for capital stock, proprietary capital, or other liability. In like manner, in the absence of clearing accounts, all gross charges to any associated company shall be debited to a subaccount for that company under the appropriate subdivisions of accounts 103, Nonutility Property and Other Assets, and 115, Other Current Assets, even though immediately transferred to an investment account or other asset.

(c) Dividends, rebates, or earnings from associated companies or mutual service companies, representing refunds of the excess charges made by such companies over the cost to them, shall be debited to account 115, Other Current Assets, and shall be credited so far as practicable to the same accounts to which the corresponding charges were made, including proper distinction between construction and operating expenses. Credits applicable to operating expenses, where it is impracticable to allocate them among the accounts to which the corresponding charges have been made, shall be recorded in account 612, Other Expenses.

### ACCOUNTS

#### BALANCE SHEET ACCOUNTS ASSETS AND OTHER DEBITS

- 100. Radio-telephone Plant in Service
- 101. Radio-telephone Plant Under Construction
- 102. Radio-telephone Plant Acquisition Adjustments
- 103. Nonutility Property and Other Assets
- 104. Accumulated Provision for Depreciation of Radio-telephone Plant

- 105. Accumulated Provision for Depreciation of Nonutility Property
- 111. Cash
- 112. Accounts Receivable
- 113. Accumulated Provision for Uncollectible Accounts--Credit
- 114. Equipment and Supplies on Hand--Radio-telephone
- 115. Other Current Assets
- 116. Prepayments
- 117. Deferred Debits

#### LIABILITIES AND OTHER CREDITS

- 150. Common Stock
- 151. Preferred Stock
- 152. Retained Earnings (For Corporations Only)
- 153. Other Paid-in Capital (For Corporations Only)
- 154. Proprietary Capital (For Proprietorships and Partnerships Only)
- 160. Long-term Debt
- 170. Notes and Other Debt Payable--Short-Term
- 171. Accounts Payable
- 172. Customers' Deposits
- 173. Taxes Accrued
- 174. Interest Accrued
- 175. Other Current Liabilities
- 176. Other Deferred Credits

#### ASSETS AND OTHER DEBITS

##### 100. Radio-telephone Plant in Service

A. This account shall include the original cost of all radio-telephone plant owned and used by the utility in providing radio-telephone service.

B. This account is the control account for plant account 200 through account 211.

##### 101. Radio-telephone Plant Under Construction

This account shall include the cost of radio-telephone plant in process of construction, but not ready for service.

##### 102. Radio-telephone Plant Acquisition Adjustments

A. This account shall include the difference between (1) the cost to the utility of radio-telephone plant acquired as an operating system by purchase, merger, or otherwise and (2) the net of amounts entered in the plant accounts, the accumulated depreciation account and other appropriate accounts.

B. No transfers shall be made from this account unless prior written authorization has been obtained from the commission.

Note A: The original cost of the acquired plant shall be charged to plant accounts, and accumulated depreciation shall be credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant. Any balance (representing the difference between the net original cost of the assets acquired and the cost to the acquiring utility) shall remain in this account.

Note B: When an existing radio-telephone system is acquired the utility shall be obligated to obtain from the vendor all existing records, including records of plant construction dates and costs, and records of accumulated depreciation applicable to such properties.

##### 103. Nonutility Property and Other Assets

A. This account shall include property and other assets owned by the utility, but not used in providing radio-telephone service, for which separate balance sheet accounts have not been provided.

B. The account shall be appropriately subdivided.

#### ITEMS

Land and buildings not used in radio-telephone operations.

Radio-telephone utility assets transferred to "nonoperative" status.

Investment in securities.

Assets of nonutility businesses operated together with the radio-telephone utility.

Notes receivable not due within one year.

Note A: Amounts due from customers for nonutility service should be included in subaccount 112.2, Accounts Receivable--Nonutility Service.

Note B: Accounting instructions permit the subdivision of accounts, provided that such subdivision does not impair the completeness of the accounts.

#### 104. Accumulated Provision for Depreciation of Radio-telephone Plant

A. This account shall reflect the depreciation and amortization accumulated on plant used in radio-telephone utility service.

B. This account shall be credited with:

(1) Amounts concurrently charged to account 402, Depreciation and Amortization Expense, representing currently accruing depreciation and amortization on radio-telephone utility plant.

(2) Salvage value, sales price, trade-in allowance, insurance settlements and other amounts recovered from plant retired.

C. This account shall be charged with:

(1) Original cost of depreciable radio-telephone utility plant retired.

(2) Cost of removal of plant retired.

D. Charge utility plant lost or stolen by subscribers to this account and credit this account with amounts recovered from subscribers and insurance settlements.

E. The utility shall maintain separate subaccounts corresponding with the depreciable plant accounts in which the accumulated depreciation total is segregated.

F. The utility is restricted in the use of this account to the purposes set forth above. It shall not transfer any portion to retained earnings or proprietary capital or to other accounts without prior written authorization from this commission.105.

#### Accumulated Provision for Depreciation of Nonutility Property

A. This account shall reflect the depreciation and amortization on property not used in radio-telephone utility operations.

B. This account shall be credited with amounts currently charged to account 411, Other Income Deductions--Nonutility, representing currently accruing depreciation and amortization on property not used in radiotelephone utility operations.

C. This account shall be charged with the amount of depreciation accumulated on items of nonutility property sold, abandoned, or otherwise retired.

#### 111. Cash

A. This account shall include the amount of cash on hand or on deposit in banks.

B. The following subaccounts should be maintained:

111.1 Cash on Hand

111.2 Cash in Bank

#### 112. Accounts Receivable

This account shall include amounts due from customers for radio-telephone and nonutility service and shall be segregated into the following subaccounts:

112.1 Accounts Receivable--Radio-telephone Service

112.2 Accounts Receivable--Nonutility Service

113. Accumulated Provision for Uncollectible Accounts--Credit

A. This account shall be credited with:

(1) Amounts to provide for estimated losses on uncollectible accounts receivable. Concurrent charges will be made to account 612, Other Expenses, for amounts applicable to utility operations and to account 411, Other Income Deductions--Nonutility, for other operations.

(2) Collections of amounts previously considered to be uncollectible, and charged against this account.

(3) Unclaimed deposits that may lawfully be written off as unrefundable, because of the inability to locate the rightful owner or for some other reason. Concurrent charges will be made to account 172, Customers' Deposits.

114. Equipment and Supplies on Hand--Radio-telephone

A. This account shall include the cost of equipment and supplies on hand, purchased for use in radio-telephone construction installation, or repair work.

B. The cost shall include, when practicable, transportation charges, sales and use taxes and other directly assignable costs. Cash discounts realized on purchases shall be credited to this account.

C. Reusable equipment which is retired from plant and returned to the equipment and supplies inventory shall be charged to this account and credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant. Identifiable units which have been removed from service shall be carried in inventory at original cost. Items of small value whose original cost cannot be readily determined shall be carried in inventory at current prices new. Scrap equipment shall be carried in inventory at estimated scrap value.

D. Inventories of equipment and supplies shall be taken at least annually and the necessary adjustments shall be made to bring this account balance into agreement with the actual quantities on hand.

E. This account shall not include items in stock which are includible in account 207, Mobile Equipment for One-Way Service, or account 208, Mobile Equipment for Two-Way Service.

115. Other Current Assets

A. This account shall include the book cost of all notes receivable, payable on demand or maturing within one year.

B. This account shall include all other current assets not provided for in other balance sheet accounts.

C. Separate subaccounts shall be maintained for each class of current asset\* included in this account.

\* So in original. "asset" should be "assets". Note: Notes receivable not due within one year should be recorded in account 103, Nonutility Property and Other Assets.

116. Prepayments

This account shall include prepayments of rents, taxes, insurance, and similar expenses for which payment has been made in advance of the period to which they apply. As the periods covered by such prepayments expire, this account shall be credited and the proper operating expense or other accounts shall be charged with the amounts applicable to the current period.

117. Deferred Debits

A. This account shall include such items as expenses of security issues, bond discount, items in suspense, and extraordinary cost, net of tax effect, not chargeable to operating expenses in the current period.

B. This account shall be appropriately subdivided.

LIABILITIES AND OTHER CREDITS

#### 150. Common Stock

A. This account shall be credited with the total par value or stated value of common stock outstanding.

B. Premiums related to the issue of common stock shall be carried in a separate subaccount of account 153, Other Paid-in Capital.

Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

#### 151. Preferred Stock

A. This account shall be credited with the total par value or stated value of preferred stock outstanding.

B. Premiums and discounts related to the issue of preferred stock shall be carried in separate subaccounts of account 153, Other Paid-in Capital.

Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

#### 152. Retained Earnings (For Corporations Only)

A. This account shall reflect corporate earnings retained in the business.

B. This account shall be credited with net income.

C. This account shall be charged with:

(1) Net losses

(2) Dividends

#### 153. Other Paid-in Capital (For Corporations Only)

A. This account shall include all paid-in capital not derived from earnings. It shall include such items as premiums and discounts related to the issuance of capital stock, donations to the utility of its capital stock, paid-in capital arising from the forgiveness of debt of the utility, paid-in capital arising out of a reorganization of the utility, or in connection with its recapitalization.

B. Each type of paid-in capital shall be carried in a separate subaccount.

#### 154. Proprietary Capital (For Proprietorships and Partnerships Only)

A. This account shall be credited with the investment of a sole proprietor, or partners, in an unincorporated radio-telephone utility.

B. A separate subaccount shall be maintained for each partner.

C. At the end of each calendar year the net income or loss for the year shall be entered in this account.

D. All withdrawals from the business by the owner or partners other than as compensation or services performed shall be charged to subaccount 154.1, Proprietary Drawings. This subaccount shall be closed into account 154, Proprietary Capital (For Proprietorships and Partnerships Only) at the end of each accounting period.

Note: Amounts designated by a noncorporate owner or partner as a "salary" representing fair and reasonable compensation for services performed shall be charged to operating expense subaccount 607, Management Salaries, or to radio-telephone plant accounts when appropriate.

#### 160. Long-term Debt

A. This account shall include all evidences of indebtedness payable more than one year from date of issue.

B. A separate subaccount may be maintained for each obligation outstanding.

Note A: Prior authorization must be obtained from this commission before any long-term indebtedness may be incurred by the utility (Public Service Law, Section 101).

Note B: The current or matured portion of the long-term debt should be recorded in account 170, Notes and Other Debt Payable--Short-Term.

170. Notes and Other Debt Payable--Short-Term

This account shall include the face value of all notes, or other similar evidences of indebtedness, payable on demand, or which by their terms are payable within one year from the date of issue and the current or matured portion of long-term debt.

171. Accounts Payable

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

172. Customers' Deposits

A. This account shall include all amounts deposited with the utility by customers as security for payment of bills and for the return of the utility's radio-telephone equipment.

B. Charge this account and credit account 113, Accumulated Provision for Uncollectible Accounts--Credit with unclaimed deposits that may lawfully be written off as unrefundable because of the inability to locate the rightful owner or for some other reason.

C. Charge this account and credit account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, with the amount of the deposit that may lawfully be used to defray the cost of utility plant lost or stolen by subscribers.

173. Taxes Accrued

This account shall be credited with the amount of taxes accrued during the accounting period prior to their payment. It should include sales taxes, excise taxes, property taxes, employer's portion of payroll taxes and income taxes.

Note: It is recommended, but not required, that a separate subaccount be maintained for each type of tax.

174. Interest Accrued

This account shall include the amount of all interest accrued on liabilities of the utility. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

175. Other Current Liabilities

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

176. Other Deferred Credits

A. This account shall include advance billings, unamortized premium on debt, items in suspense, net of tax effect, and other credit items, net of tax effect, not provided for in other accounts.

B. This account shall be appropriately subdivided.

RADIO-TELEPHONE PLANT ACCOUNTS

200. Organization

201. Other Intangible Plant

202. Land

203. Buildings and Towers

204. Leasehold Improvements

205. Control and Message Center Equipment

206. Fixed Station Equipment

207. Mobile Equipment for One-Way Service

208. Mobile Equipment for Two-Way Service

209. Shop and Test Equipment

210. Vehicles

211. Office Furniture and Equipment

200. Organization

This account shall include all fees paid to Federal or State governments for the privilege of incorporation and expenditures incident to organizing a corporation, partnership, or other form of business enterprise.

ITEMS

(1) Fees and expenses for incorporation.

(2) Fees and expenses for mergers or consolidations.

(3) 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: When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

201. Other Intangible Plant

A. This account shall include the original cost of the Federal Communications Commission station license, and similar rights which are necessary in the conduct of the utility's radio-telephone operations.

B. Costs of periodic license renewals are chargeable to operating expenses.

202. Land

This account shall include the original cost of land and easements used in connection with radio-telephone utility operations.

203. Buildings and Towers

This account shall include the original cost of buildings and towers used in radio-telephone utility operations including the cost of all permanent fixtures, masts, and antenna supporting equipment.

204. Leasehold Improvements

A. This account shall include the cost to the utility of improvements to property used in its radio-telephone operations which is held under a lease.

B. The leasehold improvement shall be amortized over either the life of the lease or the life of the leasehold improvement, whichever of these lives is shorter, by credits to this account and charges to account 402, Depreciation and Amortization Expense.

205. Control and Message Center Equipment

A. This account shall include the original cost of radio-telephone control consoles, equipment and wiring, interconnect equipment and associated apparatus used in receiving, forwarding and terminating calls and messages and for other control purposes. Monitoring and measurement equipment installed for regular control purposes also shall be recorded in this account.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

206. Fixed Station Equipment

A. This account shall include the original cost of transmitters, receivers, antennas, and associated equipment and wiring used in base station and repeater operations. Microwave facilities and other equipment used for control of base station operation also shall be recorded in this account.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

#### 207. Mobile Equipment for One-Way Service

A. This account shall include the original cost (noninstalled) of equipment used in providing one-way signaling or paging service, including receivers, decoders, mobile antennas and associated apparatus which is mounted in vehicles or is hand portable.

B. This account shall also include mobile units in stock.

C. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer and by model.

D. Records shall be maintained in sufficient detail to show by acquisition date the total number of units and related costs for each type or model of equipment included in this account.

E. Equipment used exclusively for signaling or paging in connection with private radio-telephone systems shall be recorded in a separate subaccount.

Note: Charge account 612, Other Expenses, with the cost of installing and removing one-way service units and credit account 501.3, Installation and Special Charges, for the revenue obtained for installing and removing one-way service units.

#### 208. Mobile Equipment for Two-way Service

A. This account shall include the original cost of equipment used in providing two-way radio-telephone service such as transmitters, receivers, decoders, mobile antennas, and associated apparatus and wiring which is mounted in vehicles or is hand portable.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

C. This account shall also include mobile units in stock.

D. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer, and by model.

Note: Charge account 612, Other Expenses, with the cost of installing and removing two-way service units and credit account 502.3, Installation and Special Charges, for the revenue obtained for installing and removing two-way service units.

#### 209. Shop and Test Equipment

A. This account shall include the original cost of instruments, tools, and other equipment located in offices, shops, or vehicles, used in testing, maintaining and constructing radio-telephone plant.

B. Small tools and instruments or other equipment costing \$ 50 or less may be charged directly to operating expense at the time of purchase.

#### 210. Vehicles

A. This account shall include the original cost of transportation equipment used in radio-telephone testing, maintenance, construction work, sales and administration work.

B. Records shall be maintained to show the original cost of each vehicle.

#### 211. Office Furniture and Equipment

This account shall include the original cost of office furniture and equipment owned and used by the radio-telephone utility.

### ITEMS

(1) Adding Machines

(2) Addressing Machines

- (3) Calculating Machines
- (4) Postage Meter Machines
- (5) Desks, Typewriters
- (6) Filing Cabinets
- (7) Book Cases, Tables and Chairs

## INCOME ACCOUNTS

### OPERATING INCOME

- 400. Operating Revenues
- 401. Operating Expenses
- 402. Depreciation and Amortization Expense
- 403. Income Tax
- 404. Other Operating Taxes

### OTHER INCOME AND DEDUCTIONS

- 410. Other Income--Nonutility
- 411. Other Income Deductions--Nonutility
- 412. Interest Expense
- 413. Extraordinary and Delayed Items--Net

### 1. OPERATING INCOME ACCOUNTS

#### 400. Operating Revenues

This account shall include the total revenues for the accounting period that are provided for in the operating revenue accounts 501 to 504 inclusive.

#### 401. Operating Expenses

This account shall include the total expenses for the accounting period that are provided for in the operating expense accounts 600 to 612 inclusive.

#### 402. Depreciation and Amortization Expense

This account shall be charged with that portion of the depreciation accrual credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, applicable to all classes of depreciable radio-telephone plant. This account shall also be charged with amortization of utility leasehold improvements.

Note A: See General Instruction § 691.1 for more detailed instructions on depreciation accounting.

Note B: Depreciation and amortization on property not used in radiotelephone operations shall be charged to account 411, Other Income Deductions--Nonutility.

#### 403. Income Tax

Incorporated utilities only shall charge to this account accruals of Federal income taxes for the current calendar year, computed on the basis that only radio-telephone operations amounts accounted for in the current year and interest expense allocable to such operations entered into taxable income.

Note: Personal income taxes of owners of unincorporated utilities should not be entered in utility accounts.

#### 404. Other Operating Taxes

A. This account shall include all taxes, other than Federal income taxes, properly chargeable to radio-telephone operations. Among the taxes includible in this account are property, gross revenue or gross receipts, franchise, capital stock,

social security and unemployment and all other taxes assessed by Federal, State, county, municipal or other local governmental authorities.

B. Taxes on property owned by the utility but not used in providing radio-telephone service should be charged to account 411, Other Income Deductions--Nonutility. C. The following subdivisions of this account shall be maintained:

404.1 Property Taxes

404.2 Social Security and Unemployment Taxes

404.3 Other Federal, State and Local Taxes

## 2. OTHER INCOME AND DEDUCTIONS

410. Other Income--Nonutility

This account shall include all income not includible in operating revenue accounts 501 through 504, Operating Revenues.

### ITEMS

1. Interest Income

2. Dividend Income

3. Gross Income for Nonradio-telephone Utility Operations

4. Net Gain on Sale of Nonradio-telephone Utility Property

411. Other Income Deductions--Nonutility

This account shall include all expenses, depreciation charges and taxes not related to radio-telephone utility operations.

### ITEMS

1. Uncollectible accounts applicable to nonutility operations.

2. Contributions for charitable or community welfare purposes.

3. Expenses, including depreciation, amortization and taxes on nonradio-telephone utility property.

4. Country club dues, service club dues and items of similar nature.

5. Federal income taxes (plus or minus) related to the net of nonutility income.

412. Interest Expense

This account shall include all interest expense of the business, plus or minus net amortization of issue expenses, discount and premiums on debt issues.

413. Extraordinary and Delayed Items--Net

This account shall include extraordinary and delayed items of such size that their inclusion in regular income accounts would seriously distort those accounts. Include also the income tax effect (plus or minus) of the items included herein.

## OPERATING REVENUE ACCOUNTS

501. One-Way Service Revenues (Signaling or Paging)

Subaccounts:

501.1 Minimum Message Service

501.2 Excess Over Minimum Calls

501.3 Installation and Special Charges

501.4 Equipment Rental

501.5 Equipment Maintenance Revenues

501.6 Interconnected Telephone Service

502. Two-Way Service Revenues

Subaccounts:

502.1 Minimum Message Service

502.2 Excess Over Minimum Calls

502.3 Installation and Special Charges

502.4 Equipment Rental

502.5 Equipment Maintenance Revenues

502.6 Transient Service

502.7 Interconnected Telephone Service

503. Private Radio Service Revenues

504. Other Utility Operating Revenues

#### ONE-WAY SERVICE REVENUES

501. One-Way Service Revenues (Signaling or Paging)

A. This account shall include all revenues from one-way service, including revenues from signaling and paging services, and shall be segregated by using the following subaccounts:

501.1 Minimum Message Service

This subaccount shall include all revenues from basic minimum message service.

501.2 Excess Over Minimum Calls

This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.

501.3 Installation and Special Charges

This subaccount shall include the revenues received for the installation of one-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service mileage charges, disconnect and reconnect charges.

Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 501.5, Equipment Maintenance Revenues.

501.4 Equipment Rental

This subaccount shall include revenues from the rental of one-way equipment to subscribers.

501.5 Equipment Maintenance Revenues

This subaccount shall include all revenues from maintenance of one-way equipment that is charged for on a regular monthly or periodic basis.

Note: Irregular maintenance charges which are not charged for on a regular monthly or periodic basis should be included in subaccount 501.3, Installation and Special Charges.

(B) The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

501.6 Interconnected Telephone Service

This subaccount shall include all revenues received from subscribers for interconnected telephone services charged the utility under account 604.4, Interconnection Charges.

#### TWO-WAY SERVICE REVENUES

502. Two-Way Service Revenues

A. This account shall include all revenues from two-way service, and shall be segregated by using the following subaccounts:

#### 502.1 Minimum Message Service

This subaccount shall include all revenues from basic minimum message service. It also shall include revenues from short-term users when the service is not considered transient message revenue as described in subaccount 502.6, Transient Service.

#### 502.2 Excess Over Minimum Calls

This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.

#### 502.3 Installation and Special Charges

This subaccount shall include the revenues received for the installation of two-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service, mileage charges, disconnect and reconnect charges.

Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 502.5, Equipment Maintenance Revenues.

#### 502.4 Equipment Rental

This subaccount shall include revenues from the rental of two-way equipment to subscribers.

#### 502.5 Equipment Maintenance Revenues

This subaccount shall include all revenues from maintenance of two-way equipment that is charged for on a regular monthly or periodic basis.

Note: Irregular maintenance charges which are not charged for on a regular or periodic basis should be included in subaccount 502.3, Installation and Special Charges.

#### 502.6 Transient Service

This subaccount shall include revenues from message service furnished to a subscriber of another radio-telephone utility when that subscriber is temporarily located within the service area of the reporting radiotelephone utility.

Note: Revenues from short-term users, who are not subscribers of other radio-telephone utilities, should be included in subaccount 502.1, Minimum Message Service.

#### 502.7 Interconnected Telephone Service

##### 502.7.1 Message Service Charges

Credit this subaccount for revenues received from radio-telephone subscribers for interconnected multmessage unit and toll messages charged the radio-telephone utility under account 604.4, Interconnection Charges, subparagraph (3).

##### 502.7.2 Other Line Revenue

A. Credit this subaccount for revenues received from radio-telephone subscribers for radio-telephone utility's other line (added on) rate(s) per message for interconnected local, foreign exchange and toll services.

B. The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

#### 503. Private Radio Service Revenues

A. This account shall include all revenues from private radio service.

B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

#### 504. Other Utility Operating Revenues

A. This account shall include all revenues from utility operations not provided for elsewhere, such as revenues from advertising other than in directories; overcharges on radio-telephone service; and profits realized from customer work performed for others incident to the utility's radio-telephone operations.

B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

#### OPERATING EXPENSE ACCOUNTS

- 600. Maintenance and Repair Expense
- 601. Rental Expense
- 602. Operators Wages
- 603. Contracted Operator Service Expense
- 604. Interconnecting Telephone Company Charges
- 605. Office Salaries
- 606. Sales and Advertising Expenses
- 607. Management Salaries
- 608. Office Supplies and Expense
- 609. Insurance Expense
- 610. Accounting, Legal and Other Services
- 611. Vehicle Expense
- 612. Other Expenses
- 600. Maintenance and Repair Expense

A. This account shall include the cost of labor, materials and supplies used, and contract maintenance services for the maintenance, repair, moves and charges of mobile and fixed station equipment. The labor and material cost of replacing a property unit component shall be charged to maintenance expense.

B. The maintenance and repair expenses shall be segregated by using the following accounts:

600.1 Labor

600.2 Materials and Supplies

600.3 Contracted Maintenance (includes materials and services furnished by another person or company on a flat rate, lump sum amount, or other basis.)

Note: The cost of installing\* and removing mobile units shall be charged to account 612, Other Expenses.

\* So in original. "installiting" should be "installing".

601. Rental Expense

A. This account shall include rental payments for equipment, real estate and other properties used in radio-telephone utility operations. Examples of such expenses are space rentals in buildings, attachments on pole lines, tower space, antenna space, and space for transmitter, receiver and microwave facilities.

B. Rental expense shall be segregated into the following subaccounts:

601.1 Rental of Mobile Equipment

601.2 Rental of Fixed Station Equipment and Sites. Includes--land, building, antenna space and equipment.

Note: Rental expenses for leased land-line facilities should be included in account 604, Interconnecting Telephone Company Charges. Rental expenses for office space and equipment should be included in account 608, Office Supplies and Expense, and rental expenses for vehicles should be included in account 611, Vehicle Expense.

#### 602. Operators Wages

This account shall include the pay to operators handling messages of the radio-telephone utility.

#### 603. Contracted Operator Service Expense

This account shall include operator services furnished to the utility by outside parties on a contract basis.

#### 604. Interconnecting Telephone Company Charges

Interconnecting telephone company charges shall be segregated by using the following subaccounts:

##### 604.1 Rental of Radio-Telephone Interconnecting Facilities

Debit this account with amounts charged by the interconnecting telephone company to the utility for installation and/or move and change charges, private branch exchange facilities, supplemental or special equipment, and other related facilities under special contracts.

##### 604.2 Rental of Radio Control Telephone Lines

##### 604.3 Company Business Office Telephone Service

##### 604.4 Interconnection Charges

A. Debit this account with the monthly settlement amounts charged by the interconnecting telephone company for:

(1) Interconnection circuits to the local exchange (either message rate or flat rate as applicable from tariff for the interconnecting telephone company's local exchange).

(2) Interconnection circuit(s) to each foreign exchange (mileage and exchange charges under the interconnecting telephone company's filed tariff).

(3) The interconnecting telephone company's filed rate charge for each interconnected message sent paid or received collect, by the radio-telephone utility.

#### 605. Office Salaries

This account shall include the salaries of all employees (other than the manager, owner or principal stockholders, and telephone operators) whose time is utilized in billing, collecting, record keeping, or general office work.

Note: Fees paid to independent accountants, attorneys and engineers should be charged to account 610, Accounting, Legal and Other Services.

#### 606. Sales and Advertising Expenses

This account shall include sales and advertising expenses incurred in canvassing for new business, including salaries and commissions paid to salesmen and sales agents.

#### 607. Management Salaries

A. This account shall include the portion of salaries of managers, owners, partners or principal stockholders of a radio-telephone utility chargeable to utility operations.

B. No portion of such salaries chargeable to utility operations shall be allocated to other expense accounts, even though the owner or manager may perform other duties (e.g. operating, billing, collecting, maintenance) in addition to managing the utility.

Note A: Drawings by partners or owners of noncorporate utilities in addition to amounts designated as "salaries" for operating the utility shall be charged to subaccount 154.1, Proprietary Drawings.

Note B: The portion of salaries of managers, owners, partners or principal stockholders assignable to radio-telephone plant construction shall be charged to account 100, Radio-telephone Plant in Service, or to account 101, Radio-telephone Plant Under Construction, as appropriate.

#### 608. Office Supplies and Expense

This account shall include the cost of office supplies and expenses, including postage, printing, stationery, subscriber billing forms, general accounting supplies, addressing machine supplies, repair, maintenance and rental of office and equipment, utilities other than telephone service, and other office expenses.

Note: Rental expenses for vehicles used in radio-telephone utility operations should be included in account 611, Vehicle Expense.

#### 609. Insurance Expense

This account shall include all insurance costs applicable to the accounting period, including Workmen's Compensation, liability, vehicle, fire and theft or robbery insurance.

Note A: Insurance dividends and refunds shall be credited to this account.

Note B: The cost of policies extending over a period of more than one year shall be prorated over the period of the coverage.

#### 610. Accounting, Legal and Other Services

This account shall include the fees of independent accountants, engineers, lawyers, and similar professional consultants chargeable to utility operations.

#### 611. Vehicle Expense

This account shall include all truck, automobile, construction equipment and other vehicle expenses chargeable to utility operations, except depreciation and insurance.

### ITEMS

- (1) Tires
- (2) Batteries
- (3) Lubrication
- (4) Fuel
- (5) Oil
- (6) License Fees
- (7) Vehicle and equipment rentals
- (8) Repairs

#### 612. Other Expenses

This account shall include all expenses not includible in other operating expense accounts.

### ITEMS

- (1) Subscriptions
- (2) Employee Pensions
- (3) Regulatory Commission Expense
- (4) Association Dues
- (5) Uncollectible Accounts
- (6) Collection Agency Fees

Note A: Uncollectible accounts shall be entered in a separate subaccount of this account.

Note B: Also see account 113, Accumulated Provision for Uncollectible Accounts--Credit.

Note C: Charge utility plant equipment lost, stolen or damaged by a subscriber to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant.

## LIST

### SUGGESTED LIST OF PROPERTY UNITS[1]

(See Note following § 684.5, supra)

#### General

Land

Buildings

Leasehold Improvements

Furniture and Fixtures (each major piece)

Office Equipment (each major piece)

Vehicle

#### Base Stations

Antennas

Coaxial Cable (transmitter to antenna) Transmitters (including cabinets and control equipment at base station)

Receivers

Auxiliary Power Supply

#### Message Centers

Radio or Microwave Control Units

Encoders

Tape Recording Assemblies

Station Identifying Units

Monitoring Radio Receivers

Operating Board or Console (including dials, switches, lights, microphones, wiring and card racks)

Time Clocks

#### Mobile Stations

Two-Way Mobile Stations [2]

One-Way Mobile Stations

Selective Signaling Units [2] (where separate)

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#### FOOTNOTE:

(1) Each unit of the following categories (unless otherwise stated), i.e., each parcel of land, each building, each location for leasehold improvements, etc.

(2) Vehicular wiring and antennas shall be charged to expense at time of installation and shall not be included under property units.

## ACCOUNTS

### BALANCE SHEET ACCOUNTS

#### ASSETS AND OTHER DEBITS

100. Radio-telephone Plant in Service

- 101. Radio-telephone Plant Under Construction
- 102. Radio-telephone Plant Acquisition Adjustments
- 103. Nonutility Property and Other Assets
- 104. Accumulated Provision for Depreciation of Radio-telephone Plant
- 105. Accumulated Provision for Depreciation of Nonutility Property
- 111. Cash
- 112. Accounts Receivable
- 113. Accumulated Provision for Uncollectible Accounts--Credit
- 114. Equipment and Supplies on Hand--Radio-telephone
- 115. Other Current Assets
- 116. Prepayments
- 117. Deferred Debits

**LIABILITIES AND OTHER CREDITS**

- 150. Common Stock
- 151. Preferred Stock
- 152. Retained Earnings (For Corporations Only)
- 153. Other Paid-in Capital (For Corporations Only)
- 154. Proprietary Capital (For Proprietorships and Partnerships Only)
- 160. Long-term Debt
- 170. Notes and Other Debt Payable--Short-Term
- 171. Accounts Payable
- 172. Customers' Deposits
- 173. Taxes Accrued
- 174. Interest Accrued
- 175. Other Current Liabilities
- 176. Other Deferred Credits

**ASSETS AND OTHER DEBITS**

- 100. Radio-telephone Plant in Service

A. This account shall include the original cost of all radio-telephone plant owned and used by the utility in providing radio-telephone service.

B. This account is the control account for plant account 200 through account 211.

- 101. Radio-telephone Plant Under Construction

This account shall include the cost of radio-telephone plant in process of construction, but not ready for service.

- 102. Radio-telephone Plant Acquisition Adjustments

A. This account shall include the difference between (1) the cost to the utility of radio-telephone plant acquired as an operating system by purchase, merger, or otherwise and (2) the net of amounts entered in the plant accounts, the accumulated depreciation account and other appropriate accounts.

B. No transfers shall be made from this account unless prior written authorization has been obtained from the commission.

Note A: The original cost of the acquired plant shall be charged to plant accounts, and accumulated depreciation shall be credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant. Any balance (representing the difference between the net original cost of the assets acquired and the cost to the acquiring utility) shall remain in this account.

Note B: When an existing radio-telephone system is acquired the utility shall be obligated to obtain from the vendor all existing records, including records of plant construction dates and costs, and records of accumulated depreciation applicable to such properties.

### 103. Nonutility Property and Other Assets

A. This account shall include property and other assets owned by the utility, but not used in providing radio-telephone service, for which separate balance sheet accounts have not been provided.

B. The account shall be appropriately subdivided.

### ITEMS

Land and buildings not used in radio-telephone operations.

Radio-telephone utility assets transferred to "nonoperative" status.

Investment in securities.

Assets of nonutility businesses operated together with the radio-telephone utility.

Notes receivable not due within one year.

Note A: Amounts due from customers for nonutility service should be included in subaccount 112.2, Accounts Receivable--Nonutility Service.

Note B: Accounting instructions permit the subdivision of accounts, provided that such subdivision does not impair the completeness of the accounts.

### 104. Accumulated Provision for Depreciation of Radio-telephone Plant

A. This account shall reflect the depreciation and amortization accumulated on plant used in radio-telephone utility service.

B. This account shall be credited with:

(1) Amounts concurrently charged to account 402, Depreciation and Amortization Expense, representing currently accruing depreciation and amortization on radio-telephone utility plant.

(2) Salvage value, sales price, trade-in allowance, insurance settlements and other amounts recovered from plant retired.

C. This account shall be charged with:

(1) Original cost of depreciable radio-telephone utility plant retired.

(2) Cost of removal of plant retired.

D. Charge utility plant lost or stolen by subscribers to this account and credit this account with amounts recovered from subscribers and insurance settlements.

E. The utility shall maintain separate subaccounts corresponding with the depreciable plant accounts in which the accumulated depreciation total is segregated.

F. The utility is restricted in the use of this account to the purposes set forth above. It shall not transfer any portion to retained earnings or proprietary capital or to other accounts without prior written authorization from this commission. 105. Accumulated Provision for Depreciation of Nonutility Property

A. This account shall reflect the depreciation and amortization on property not used in radio-telephone utility operations.

B. This account shall be credited with amounts currently charged to account 411, Other Income Deductions--Nonutility, representing currently accruing depreciation and amortization on property not used in radiotelephone utility operations.

C. This account shall be charged with the amount of depreciation accumulated on items of nonutility property sold, abandoned, or otherwise retired.

#### 111. Cash

A. This account shall include the amount of cash on hand or on deposit in banks.

B. The following subaccounts should be maintained:

##### 111.1 Cash on Hand

##### 111.2 Cash in Bank

#### 112. Accounts Receivable

This account shall include amounts due from customers for radio-telephone and nonutility service and shall be segregated into the following subaccounts:

##### 112.1 Accounts Receivable--Radio-telephone Service

##### 112.2 Accounts Receivable--Nonutility Service

#### 113. Accumulated Provision for Uncollectible Accounts--Credit

A. This account shall be credited with:

(1) Amounts to provide for estimated losses on uncollectible accounts receivable. Concurrent charges will be made to account 612, Other Expenses, for amounts applicable to utility operations and to account 411, Other Income Deductions--Nonutility, for other operations.

(2) Collections of amounts previously considered to be uncollectible, and charged against this account.

(3) Unclaimed deposits that may lawfully be written off as unrefundable, because of the inability to locate the rightful owner or for some other reason. Concurrent charges will be made to account 172, Customers' Deposits.

#### 114. Equipment and Supplies on Hand--Radio-telephone

A. This account shall include the cost of equipment and supplies on hand, purchased for use in radio-telephone construction installation, or repair work.

B. The cost shall include, when practicable, transportation charges, sales and use taxes and other directly assignable costs. Cash discounts realized on purchases shall be credited to this account.

C. Reusable equipment which is retired from plant and returned to the equipment and supplies inventory shall be charged to this account and credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant. Identifiable units which have been removed from service shall be carried in inventory at original cost. Items of small value whose original cost cannot be readily determined shall be carried in inventory at current prices new. Scrap equipment shall be carried in inventory at estimated scrap value.

D. Inventories of equipment and supplies shall be taken at least annually and the necessary adjustments shall be made to bring this account balance into agreement with the actual quantities on hand.

E. This account shall not include items in stock which are includible in account 207, Mobile Equipment for One-Way Service, or account 208, Mobile Equipment for Two-Way Service.

#### 115. Other Current Assets

A. This account shall include the book cost of all notes receivable, payable on demand or maturing within one year.

B. This account shall include all other current assets not provided for in other balance sheet accounts.

C. Separate subaccounts shall be maintained for each class of current asset\* included in this account.

\* So in original. "asset" should be "assets." Note: Notes receivable not due within one year should be recorded in account 103, Nonutility Property and Other Assets.

#### 116. Prepayments

This account shall include prepayments of rents, taxes, insurance, and similar expenses for which payment has been made in advance of the period to which they apply. As the periods covered by such prepayments expire, this account shall be credited and the proper operating expense or other accounts shall be charged with the amounts applicable to the current period.

#### 117. Deferred Debits

A. This account shall include such items as expenses of security issues, bond discount, items in suspense, and extraordinary cost, net of tax effect, not chargeable to operating expenses in the current period.

B. This account shall be appropriately subdivided.

### LIABILITIES AND OTHER CREDITS

#### 150. Common Stock

A. This account shall be credited with the total par value or stated value of common stock outstanding.

B. Premiums related to the issue of common stock shall be carried in a separate subaccount of account 153, Other Paid-in Capital.

Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

#### 151. Preferred Stock

A. This account shall be credited with the total par value or stated value of preferred stock outstanding.

B. Premiums and discounts related to the issue of preferred stock shall be carried in separate subaccounts of account 153, Other Paid-in Capital.

Note: No debits shall be made to this account for nonpar stock except for the retirement of the stock or for amounts distributed to stockholders in liquidation.

#### 152. Retained Earnings (For Corporations Only)

A. This account shall reflect corporate earnings retained in the business.

B. This account shall be credited with net income.

C. This account shall be charged with:

(1) Net losses

(2) Dividends

#### 153. Other Paid-in Capital (For Corporations Only)

A. This account shall include all paid-in capital not derived from earnings. It shall include such items as premiums and discounts related to the issuance of capital stock, donations to the utility of its capital stock, paid-in capital arising from the forgiveness of debt of the utility, paid-in capital arising out of a reorganization of the utility, or in connection with its recapitalization.

B. Each type of paid-in capital shall be carried in a separate subaccount.

#### 154. Proprietary Capital (For Proprietorships and Partnerships Only)

A. This account shall be credited with the investment of a sole proprietor, or partners, in an unincorporated radio-telephone utility.

B. A separate subaccount shall be maintained for each partner.

C. At the end of each calendar year the net income or loss for the year shall be entered in this account.

D. All withdrawals from the business by the owner or partners other than as compensation or services performed shall be charged to subaccount 154.1, Proprietary Drawings. This subaccount shall be closed into account 154, Proprietary Capital (For Proprietorships and Partnerships Only) at the end of each accounting period.

Note: Amounts designated by a noncorporate owner or partner as a "salary" representing fair and reasonable compensation for services performed shall be charged to operating expense subaccount 607, Management Salaries, or to radio-telephone plant accounts when appropriate.

#### 160. Long-term Debt

A. This account shall include all evidences of indebtedness payable more than one year from date of issue.

B. A separate subaccount may be maintained for each obligation outstanding.

Note A: Prior authorization must be obtained from this commission before any long-term indebtedness may be incurred by the utility (Public Service Law, Section 101).

Note B: The current or matured portion of the long-term debt should be recorded in account 170, Notes and Other Debt Payable--Short-Term.

#### 170. Notes and Other Debt Payable--Short-Term

This account shall include the face value of all notes, or other similar evidences of indebtedness, payable on demand, or which by their terms are payable within one year from the date of issue and the current or matured portion of long-term debt.

#### 171. Accounts Payable

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

#### 172. Customers' Deposits

A. This account shall include all amounts deposited with the utility by customers as security for payment of bills and for the return of the utility's radio-telephone equipment.

B. Charge this account and credit account 113, Accumulated Provision for Uncollectible Accounts--Credit with unclaimed deposits that may lawfully be written off as unrefundable because of the inability to locate the rightful owner or for some other reason.

C. Charge this account and credit account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, with the amount of the deposit that may lawfully be used to defray the cost of utility plant lost or stolen by subscribers.

#### 173. Taxes Accrued

This account shall be credited with the amount of taxes accrued during the accounting period prior to their payment. It should include sales taxes, excise taxes, property taxes, employer's portion of payroll taxes and income taxes.

Note: It is recommended, but not required, that a separate subaccount be maintained for each type of tax.

#### 174. Interest Accrued

This account shall include the amount of all interest accrued on liabilities of the utility. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

#### 175. Other Current Liabilities

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

#### 176. Other Deferred Credits

A. This account shall include advance billings, unamortized premium on debt, items in suspense, net of tax effect, and other credit items, net of tax effect, not provided for in other accounts.

B. This account shall be appropriately subdivided.

#### RADIO-TELEPHONE PLANT ACCOUNTS

200. Organization

201. Other Intangible Plant

202. Land

203. Buildings and Towers

204. Leasehold Improvements

205. Control and Message Center Equipment

206. Fixed Station Equipment

207. Mobile Equipment for One-Way Service

208. Mobile Equipment for Two-Way Service

209. Shop and Test Equipment

210. Vehicles

211. Office Furniture and Equipment

200. Organization

This account shall include all fees paid to Federal or State governments for the privilege of incorporation and expenditures incident to organizing a corporation, partnership, or other form of business enterprise.

#### ITEMS

(1) Fees and expenses for incorporation.

(2) Fees and expenses for mergers or consolidations.

(3) 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: When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies concerned shall not be carried over.

201. Other Intangible Plant

A. This account shall include the original cost of the Federal Communications Commission station license, and similar rights which are necessary in the conduct of the utility's radio-telephone operations.

B. Costs of periodic license renewals are chargeable to operating expenses.

202. Land

This account shall include the original cost of land and easements used in connection with radio-telephone utility operations.

203. Buildings and Towers

This account shall include the original cost of buildings and towers used in radio-telephone utility operations including the cost of all permanent fixtures, masts, and antenna supporting equipment.

204. Leasehold Improvements

A. This account shall include the cost to the utility of improvements to property used in its radio-telephone operations which is held under a lease.

B. The leasehold improvement shall be amortized over either the life of the lease or the life of the leasehold improvement, whichever of these lives is shorter, by credits to this account and charges to account 402, Depreciation and Amortization Expense.

#### 205. Control and Message Center Equipment

A. This account shall include the original cost of radio-telephone control consoles, equipment and wiring, interconnect equipment and associated apparatus used in receiving, forwarding and terminating calls and messages and for other control purposes. Monitoring and measurement equipment installed for regular control purposes also shall be recorded in this account.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

#### 206. Fixed Station Equipment

A. This account shall include the original cost of transmitters, receivers, antennas, and associated equipment and wiring used in base station and repeater operations. Microwave facilities and other equipment used for control of base station operation also shall be recorded in this account.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

#### 207. Mobile Equipment for One-Way Service

A. This account shall include the original cost (noninstalled) of equipment used in providing one-way signaling or paging service, including receivers, decoders, mobile antennas and associated apparatus which is mounted in vehicles or is hand portable.

B. This account shall also include mobile units in stock.

C. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer and by model.

D. Records shall be maintained in sufficient detail to show by acquisition date the total number of units and related costs for each type or model of equipment included in this account.

E. Equipment used exclusively for signaling or paging in connection with private radio-telephone systems shall be recorded in a separate subaccount.

Note: Charge account 612, Other Expenses, with the cost of installing and removing one-way service units and credit account 501.3, Installation and Special Charges, for the revenue obtained for installing and removing one-way service units.

#### 208. Mobile Equipment for Two-way Service

A. This account shall include the original cost of equipment used in providing two-way radio-telephone service such as transmitters, receivers, decoders, mobile antennas, and associated apparatus and wiring which is mounted in vehicles or is hand portable.

B. Equipment used exclusively for private radio-telephone service shall be recorded in a separate subaccount of this account.

C. This account shall also include mobile units in stock.

D. This account shall be maintained on a group basis, showing the equipment grouped by year of purchase, by manufacturer, and by model.

Note: Charge account 612, Other Expenses, with the cost of installing and removing two-way service units and credit account 502.3, Installation and Special Charges, for the revenue obtained for installing and removing two-way service units.

#### 209. Shop and Test Equipment

A. This account shall include the original cost of instruments, tools, and other equipment located in offices, shops, or vehicles, used in testing, maintaining and constructing radio-telephone plant.

B. Small tools and instruments or other equipment costing \$ 50 or less may be charged directly to operating expense at the time of purchase.

#### 210. Vehicles

A. This account shall include the original cost of transportation equipment used in radio-telephone testing, maintenance, construction work, sales and administration work.

B. Records shall be maintained to show the original cost of each vehicle.

#### 211. Office Furniture and Equipment

This account shall include the original cost of office furniture and equipment owned and used by the radio-telephone utility.

### ITEMS

- (1) Adding Machines
- (2) Addressing Machines
- (3) Calculating Machines
- (4) Postage Meter Machines
- (5) Desks, Typewriters
- (6) Filing Cabinets
- (7) Book Cases, Tables and Chairs

### INCOME ACCOUNTS

#### OPERATING INCOME

400. Operating Revenues
401. Operating Expenses
402. Depreciation and Amortization Expense
403. Income Tax
404. Other Operating Taxes

#### OTHER INCOME AND DEDUCTIONS

410. Other Income--Nonutility
411. Other Income Deductions--Nonutility
412. Interest Expense
413. Extraordinary and Delayed Items--Net

### 1. OPERATING INCOME ACCOUNTS

#### 400. Operating Revenues

This account shall include the total revenues for the accounting period that are provided for in the operating revenue accounts 501 to 504 inclusive.

#### 401. Operating Expenses

This account shall include the total expenses for the accounting period that are provided for in the operating expense accounts 600 to 612 inclusive.

#### 402. Depreciation and Amortization Expense

This account shall be charged with that portion of the depreciation accrual credited to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant, applicable to all classes of depreciable radio-telephone plant. This account shall also be charged with amortization of utility leasehold improvements.

Note A: See General Instruction § 691.1 for more detailed instructions on depreciation accounting.

Note B: Depreciation and amortization on property not used in radiotelephone operations shall be charged to account 411, Other Income Deductions--Nonutility.

#### 403. Income Tax

Incorporated utilities only shall charge to this account accruals of Federal income taxes for the current calendar year, computed on the basis that only radio-telephone operations amounts accounted for in the current year and interest expense allocable to such operations entered into taxable income.

Note: Personal income taxes of owners of unincorporated utilities should not be entered in utility accounts.

#### 404. Other Operating Taxes

A. This account shall include all taxes, other than Federal income taxes, properly chargeable to radio-telephone operations. Among the taxes includible in this account are property, gross revenue or gross receipts, franchise, capital stock, social security and unemployment and all other taxes assessed by Federal, State, county, municipal or other local governmental authorities.

B. Taxes on property owned by the utility but not used in providing radio-telephone service should be charged to account 411, Other Income Deductions--Nonutility. C. The following subdivisions of this account shall be maintained:

##### 404.1 Property Taxes

##### 404.2 Social Security and Unemployment Taxes

##### 404.3 Other Federal, State and Local Taxes

### 2. OTHER INCOME AND DEDUCTIONS

#### 410. Other Income--Nonutility

This account shall include all income not includible in operating revenue accounts 501 through 504, Operating Revenues.

#### ITEMS

1. Interest Income

2. Dividend Income

3. Gross Income for Nonradio-telephone Utility Operations

4. Net Gain on Sale of Nonradio-telephone Utility Property

411. Other Income Deductions--Nonutility

This account shall include all expenses, depreciation charges and taxes not related to radio-telephone utility operations.

#### ITEMS

1. Uncollectible accounts applicable to nonutility operations.

2. Contributions for charitable or community welfare purposes.

3. Expenses, including depreciation, amortization and taxes on nonradio-telephone utility property.

4. Country club dues, service club dues and items of similar nature.

5. Federal income taxes (plus or minus) related to the net of nonutility income.

#### 412. Interest Expense

This account shall include all interest expense of the business, plus or minus net amortization of issue expenses, discount and premiums on debt issues.

#### 413. Extraordinary and Delayed Items--Net

This account shall include extraordinary and delayed items of such size that their inclusion in regular income accounts would seriously distort those accounts. Include also the income tax effect (plus or minus) of the items included herein.

### OPERATING REVENUE ACCOUNTS

#### 501. One-Way Service Revenues (Signaling or Paging)

##### Subaccounts:

501.1 Minimum Message Service

501.2 Excess Over Minimum Calls

501.3 Installation and Special Charges

501.4 Equipment Rental

501.5 Equipment Maintenance Revenues

501.6 Interconnected Telephone Service

#### 502. Two-Way Service Revenues

##### Subaccounts:

502.1 Minimum Message Service

502.2 Excess Over Minimum Calls

502.3 Installation and Special Charges

502.4 Equipment Rental

502.5 Equipment Maintenance Revenues

502.6 Transient Service

502.7 Interconnected Telephone Service

503. Private Radio Service Revenues

504. Other Utility Operating Revenues

### ONE-WAY SERVICE REVENUES

#### 501. One-Way Service Revenues (Signaling or Paging)

A. This account shall include all revenues from one-way service, including revenues from signaling and paging services, and shall be segregated by using the following subaccounts:

501.1 Minimum Message Service

This subaccount shall include all revenues from basic minimum message service.

501.2 Excess Over Minimum Calls

This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.

501.3 Installation and Special Charges

This subaccount shall include the revenues received for the installation of one-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service mileage charges, disconnect and reconnect charges.

Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 501.5, Equipment Maintenance Revenues.

#### 501.4 Equipment Rental

This subaccount shall include revenues from the rental of one-way equipment to subscribers.

#### 501.5 Equipment Maintenance Revenues

This subaccount shall include all revenues from maintenance of one-way equipment that is charged for on a regular monthly or periodic basis.

Note: Irregular maintenance charges which are not charged for on a regular monthly or periodic basis should be included in subaccount 501.3, Installation and Special Charges.

(B) The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

#### 501.6 Interconnected Telephone Service

This subaccount shall include all revenues received from subscribers for interconnected telephone services charged the utility under account 604.4, Interconnection Charges.

### TWO-WAY SERVICE REVENUES

#### 502. Two-Way Service Revenues

A. This account shall include all revenues from two-way service, and shall be segregated by using the following subaccounts:

##### 502.1 Minimum Message Service

This subaccount shall include all revenues from basic minimum message service. It also shall include revenues from short-term users when the service is not considered transient message revenue as described in subaccount 502.6, Transient Service.

##### 502.2 Excess Over Minimum Calls

This subaccount shall include revenues from charges for additional messages over the basic monthly allowance.

##### 502.3 Installation and Special Charges

This subaccount shall include the revenues received for the installation of two-way equipment. It also shall include revenues received for special services not charged for on a regular monthly or periodic basis, such as special maintenance charges, repair service, mileage charges, disconnect and reconnect charges.

Note: Maintenance charges which are charged on a regular monthly or periodic basis should be included in subaccount 502.5, Equipment Maintenance Revenues.

##### 502.4 Equipment Rental

This subaccount shall include revenues from the rental of two-way equipment to subscribers.

##### 502.5 Equipment Maintenance Revenues

This subaccount shall include all revenues from maintenance of two-way equipment that is charged for on a regular monthly or periodic basis.

Note: Irregular maintenance charges which are not charged for on a regular or periodic basis should be included in subaccount 502.3, Installation and Special Charges.

##### 502.6 Transient Service

This subaccount shall include revenues from message service furnished to a subscriber of another radio-telephone utility when that subscriber is temporarily located within the service area of the reporting radiotelephone utility.

Note: Revenues from short-term users, who are not subscribers of other radio-telephone utilities, should be included in subaccount 502.1, Minimum Message Service.

## 502.7 Interconnected Telephone Service

### 502.7.1 Message Service Charges

Credit this subaccount for revenues received from radio-telephone subscribers for interconnected multmessage unit and toll messages charged the radio-telephone utility under account 604.4, Interconnection Charges, subparagraph (3).

### 502.7.2 Other Line Revenue

A. Credit this subaccount for revenues received from radio-telephone

subscribers for radio-telephone utility's other line (added on) rate(s) per message for interconnected local, foreign exchange and toll services.

B. The subaccounts may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

## 503. Private Radio Service Revenues

A. This account shall include all revenues from private radio service.

B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

## 504. Other Utility Operating Revenues

A. This account shall include all revenues from utility operations not provided for elsewhere, such as revenues from advertising other than in directories; overcharges on radio-telephone service; and profits realized from customer work performed for others incident to the utility's radio-telephone operations.

B. This account may be further subdivided, if desired, to conform with the reporting requirements of the Federal Communications Commission.

## OPERATING EXPENSE ACCOUNTS

### 600. Maintenance and Repair Expense

#### 601. Rental Expense

#### 602. Operators Wages

#### 603. Contracted Operator Service Expense

#### 604. Interconnecting Telephone Company Charges

#### 605. Office Salaries

#### 606. Sales and Advertising Expenses

#### 607. Management Salaries

#### 608. Office Supplies and Expense

#### 609. Insurance Expense

#### 610. Accounting, Legal and Other Services

#### 611. Vehicle Expense

#### 612. Other Expenses

### 600. Maintenance and Repair Expense

A. This account shall include the cost of labor, materials and supplies used, and contract maintenance services for the maintenance, repair, moves and charges of mobile and fixed station equipment. The labor and material cost of replacing a property unit component shall be charged to maintenance expense.

B. The maintenance and repair expenses shall be segregated by using the following accounts:

#### 600.1 Labor

## 600.2 Materials and Supplies

600.3 Contracted Maintenance (includes materials and services furnished by another person or company on a flat rate, lump sum amount, or other basis.)

Note: The cost of installing\* and removing mobile units shall be charged to account 612, Other Expenses.  
(\* So in original. "installiting" should be "installing")

## 601. Rental Expense

A. This account shall include rental payments for equipment, real estate and other properties used in radio-telephone utility operations. Examples of such expenses are space rentals in buildings, attachments on pole lines, tower space, antenna space, and space for transmitter, receiver and microwave facilities.

B. Rental expense shall be segregated into the following subaccounts:

### 601.1 Rental of Mobile Equipment

601.2 Rental of Fixed Station Equipment and Sites. Includes--land, building, antenna space and equipment.

Note: Rental expenses for leased land-line facilities should be included in account 604, Interconnecting Telephone Company Charges. Rental expenses for office space and equipment should be included in account 608, Office Supplies and Expense, and rental expenses for vehicles should be included in account 611, Vehicle Expense.

## 602. Operators Wages

This account shall include the pay to operators handling messages of the radio-telephone utility.

## 603. Contracted Operator Service Expense

This account shall include operator services furnished to the utility by outside parties on a contract basis.

## 604. Interconnecting Telephone Company Charges

Interconnecting telephone company charges shall be segregated by using the following subaccounts:

### 604.1 Rental of Radio-Telephone Interconnecting Facilities

Debit this account with amounts charged by the interconnecting telephone company to the utility for installation and/or move and change charges, private branch exchange facilities, supplemental or special equipment, and other related facilities under special contracts.

### 604.2 Rental of Radio Control Telephone Lines

### 604.3 Company Business Office Telephone Service

### 604.4 Interconnection Charges

A. Debit this account with the monthly settlement amounts charged by the interconnecting telephone company for:

(1) Interconnection circuits to the local exchange (either message rate or flat rate as applicable from tariff for the interconnecting telephone company's local exchange).

(2) Interconnection circuit(s) to each foreign exchange (mileage and exchange charges under the interconnecting telephone company's filed tariff).

(3) The interconnecting telephone company's filed rate charge for each interconnected message sent paid or received collect, by the radio-telephone utility.

## 605. Office Salaries

This account shall include the salaries of all employees (other than the manager, owner or principal stockholders, and telephone operators) whose time is utilized in billing, collecting, record keeping, or general office work.

Note: Fees paid to independent accountants, attorneys and engineers should be charged to account 610, Accounting, Legal and Other Services.

## 606. Sales and Advertising Expenses

This account shall include sales and advertising expenses incurred in canvassing for new business, including salaries and commissions paid to salesmen and sales agents.

#### 607. Management Salaries

A. This account shall include the portion of salaries of managers, owners, partners or principal stockholders of a radio-telephone utility chargeable to utility operations.

B. No portion of such salaries chargeable to utility operations shall be allocated to other expense accounts, even though the owner or manager may perform other duties (e.g. operating, billing, collecting, maintenance) in addition to managing the utility.

Note A: Drawings by partners or owners of noncorporate utilities in addition to amounts designated as "salaries" for operating the utility shall be charged to subaccount 154.1, Proprietary Drawings.

Note B: The portion of salaries of managers, owners, partners or principal stockholders assignable to radio-telephone plant construction shall be charged to account 100, Radio-telephone Plant in Service, or to account 101, Radio-telephone Plant Under Construction, as appropriate.

#### 608. Office Supplies and Expense

This account shall include the cost of office supplies and expenses, including postage, printing, stationery, subscriber billing forms, general accounting supplies, addressing machine supplies, repair, maintenance and rental of office and equipment, utilities other than telephone service, and other office expenses.

Note: Rental expenses for vehicles used in radio-telephone utility operations should be included in account 611, Vehicle Expense.

#### 609. Insurance Expense

This account shall include all insurance costs applicable to the accounting period, including Workmen's Compensation, liability, vehicle, fire and theft or robbery insurance.

Note A: Insurance dividends and refunds shall be credited to this account.

Note B: The cost of policies extending over a period of more than one year shall be prorated over the period of the coverage.

#### 610. Accounting, Legal and Other Services

This account shall include the fees of independent accountants, engineers, lawyers, and similar professional consultants chargeable to utility operations.

#### 611. Vehicle Expense

This account shall include all truck, automobile, construction equipment and other vehicle expenses chargeable to utility operations, except depreciation and insurance.

### ITEMS

- (1) Tires
- (2) Batteries
- (3) Lubrication
- (4) Fuel
- (5) Oil
- (6) License Fees
- (7) Vehicle and equipment rentals
- (8) Repairs

#### 612. Other Expenses

This account shall include all expenses not includible in other operating expense accounts.

#### ITEMS

- (1) Subscriptions
- (2) Employee Pensions
- (3) Regulatory Commission Expense
- (4) Association Dues
- (5) Uncollectible Accounts
- (6) Collection Agency Fees

Note A: Uncollectible accounts shall be entered in a separate subaccount of this account.

Note B: Also see account 113, Accumulated Provision for Uncollectible Accounts--Credit.

Note C: Charge utility plant equipment lost, stolen or damaged by a subscriber to account 104, Accumulated Provision for Depreciation of Radio-telephone Plant.

#### LIST

#### SUGGESTED LIST OF PROPERTY UNITS[1]

(See Note following § 684.5, supra)

#### General

- Land
- Buildings
- Leasehold Improvements
- Furniture and Fixtures (each major piece)
- Office Equipment (each major piece)
- Vehicle

#### Base Stations

- Antennas
- Coaxial Cable (transmitter to antenna) Transmitters (including cabinets and control equipment at base station)
- Receivers
- Auxiliary Power Supply

#### Message Centers

- Radio or Microwave Control Units
- Encoders
- Tape Recording Assemblies
- Station Identifying Units
- Monitoring Radio Receivers
- Operating Board or Console (including dials, switches, lights, microphones, wiring and card racks)
- Time Clocks

#### Mobile Stations

Two-Way Mobile Stations [2]

One-Way Mobile Stations

Selective Signaling Units [2] (where separate)

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FOOTNOTE:

[1] Each unit of the following categories (unless otherwise stated), i.e., each parcel of land, each building, each location for leasehold improvements, etc.

[2] Vehicular wiring and antennas shall be charged to expense at time of installation and shall not be included under property units.