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§ 460.0 Order authorizing Uniform System of Accounts for Steam Corporations in Classes A and B

(a) The Uniform System of Accounts for Steam Corporations (Classes A and B) is hereby prescribed for every steam corporation (as that term is defined in the Public Service Law) which has annual operating revenues from steam operations in excess of \$ 100,000 subject to the jurisdiction of this commission, and every such steam corporation is hereby required, on and after January 1, 1938, to keep its records and accounts in conformity therewith.

(b) During the 12 months following the date on which said uniform system of accounts becomes effective, any such steam corporation may, for purposes of comparison, keep on its books, in addition to the accounts hereby prescribed, such portion or portions of its present accounts as may be deemed desirable by any such corporation.

(c) Each steam corporation for which this uniform system of accounts is prescribed shall classify, set forth, and carry all assets, liabilities, capital stock, and surplus existing as of the effective date of this uniform system of accounts, as prescribed in such system of accounts.

(d) Each such steam corporation shall prepare and file in triplicate with the commission not later than six months after the effective date of this uniform system of accounts, summary statements showing (1) the closing balance of each balance sheet account carried on the books directly preceding the effective date of this system of accounts prescribed herein, the title of each account under this system of accounts to which any portion thereof was transferred, and the amount so transferred, and (2) the opening balance of each account under this system of accounts, the title of each account from which any portion thereof was transferred, and the amount so transferred. Reserves existing at the effective date of this system of accounts accumulated to provide for losses upon retirement or withdrawal of property from service, depreciation, amortization or replacement of fixed capital or operating property shall be transferred to the accounts prescribed herein for depreciation and amortization reserves.

(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account, for the purpose of fixing rates or in determining other matters before the commission. The prescribed system of accounts is designed to set out the facts in connection with the capitalization, construction, income, expenditures, etc., and therefrom the commission will determine, in connection with such matters as may be under advisement from time to time, just what consideration shall be given to the various items in the several accounts.

(f) The system of accounts prescribed by this order shall be put into effect by each steam corporation affected thereby on January 1, 1938, except that any such steam corporation may upon notification to the commission, adopt the system of accounts prescribed herein as of January 1, 1937.

§ 460.1 Definitions

(a) When used in this system of accounts:

(1) Accounts means the accounts prescribed in this system of accounts.

(2) Actually issued, as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property); also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

(3) 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.

(4) Amortization means the gradual extinguishment of an amount in an account by prorating 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.

(5) 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.

(6) 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.

(7) Book cost means the amount at which property is recorded in these accounts without deduction of related reserves. As applied to steam plant, book cost means the amount at which property is included in account 106 or in accounts 101 to 104.

(8) Book value, when applied to steam plant, means the book cost less related depreciation reserves. When applied to other property, it means book cost less related reserves for loss in value.

(9) Buildings. (See steam plant instruction § 463.9.)

(10) Commission or the commission means the Public Service Commission of the State of New York.

(11) Company. (See par. (28), *infra*.)

(12) Construction cost, components of. (See steam plant instruction 463.4.)

(13) Cost means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money (See, however, steam plant instruction §463.2.)

(14) Cost of removal means the cost of demolishing, dismantling, tearing down, or otherwise removing steam plant, including the cost of transportation and handling incidental thereto.

(15) Debt expense means all expenses in connection with the issuance and 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.

(16) Depreciation, as applied to steam plant, means the net loss in service value not restored by current maintenance, incurred in connection with the consumption, use or prospective retirement of steam plant in the course of service from causes 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.

(17) 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.

(18) Equipment. (See steam plant instruction § 463.10.)

(19) Improvements. (See steam plant instruction § 463.9.)

(20) 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 capital stock or long-term obligations, or shall not be subject to current settlement.

(21) Land and land rights. (See steam plant instruction § 463.8.)

(22) Long-term debt means obligations having a life of more than one year from date of creation or assumption except obligations representing advances from associated companies, and all unmatured bonds and receivers' certificates.

(23) Minor items of property means the associated part or items of which retirement units (see par. (36), infra.) are composed.

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

(25) 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 or issued direct to trustees of sinking funds in accordance with contractual requirements.

(26) 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.

(27) Original cost, as applied to steam plant, means the cost of such property to the person, or to the municipal corporation operating a public utility, first devoting it to public service.

(28) 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.

(29) Premium, as applied to the 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.

(30) Property retired, as applied to steam plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has ceased to be used and useful in the steam service of the public.

(31) Replacing or replacement, when not otherwise indicated in the context, means the construction or installation of steam plant in place of property retired, together with the removal of the property retired.

(32) 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 account 131, materials and supplies, or other appropriate account.

(33) Service value means the difference between original cost and net salvage value of steam plant.

(34) Steam corporation. (See Public Service Law.)

(35) Structures. (See steam plant instruction § 463.9.)

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

(37) Utility or utility company, as used herein and when not otherwise indicated in the context, means any steam corporation. (See Public Service Law.)