

*This information is not the official version of the Official Compilation of the Rules and Regulations of the State of New York (NYCRR). No representation is made as to its accuracy, nor may it be used as an official business record of the New York State Department of Public Service. To ensure accuracy and for evidentiary purposes, reference should be made to the official NYCRR. The Official NYCRR is available from West Publishing: 1-800-344-5009.*

§ 467.1 Purpose of operation and maintenance accounts

The operation and maintenance accounts (701 to 809) are designed to show in detail the cost (except depreciation, certain property losses, and taxes) of furnishing steam utility service. (See general instructions §§ 461.6 and 461.7.)

§ 467.2 Maintenance, cost of

(a) The cost of maintenance chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead and other expenses incurred in maintenance work, such as:

- (1) Associated costs of local plant supervision.
- (2) Cost of transportation, shop and stores expense, and use of tools and implements.
- (3) Cutting and replacing pavement, pavement base, and sidewalks, in connection with repairs.
- (4) Inspecting and testing after repairs have been made.

(5) Inspecting, testing (except routine tests of steam meters), and reporting on the condition of steam plant in service specifically to determine the need for repairs, minor replacements, rearrangements and changes.

(6) Replacing minor items of plant (see steam plant instruction § 463.11, subd. (c)).

(7) Rearranging and changing the location of property not retired.

(8) Repairing materials for reuse.

(9) Restoring the condition of property damaged by storms, breakage, floods, fire, accident, or other casualties (see subd. (b) below).

(10) Restoring the condition of property damaged by wear and tear, decay, or action of the elements (see subd. (b) below).

(11) Routine work (see also subd. (b) below) to prevent trouble.

(12) Testing for, locating, and clearing trouble, including stopping leaks.

(13) Training employees for maintenance work.

(b) The cost of maintenance does not include the cost of replacing items of property designated as retirement units. (See steam plant instruction § 463.11.)

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

(d) If the book cost of any property is carried in account 106.2, Steam Plant Purchased, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other steam plant in service accounts. Maintenance of property leased from others shall be treated as provided in operation and maintenance instruction § 467.5.

(e) If employees engaged in plant construction or operation are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs. (See general instruction § 461.10.)

### § 467.3 Salvage and insurance

(a) Salvage and insurance recovered in connection with maintenance jobs shall be credited to the appropriate maintenance accounts.

(b) If the amount of insurance recovered is relatively large and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of the insurance recovered to a suspense account, to be transferred to the appropriate maintenance accounts as the charges for the work are made.

(c) Insurance recovered in connection with personal injuries charged to account 799, Injuries and Damages, shall be credited to that account.

(d) Dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

(e) Recoveries under fidelity bonds shall be credited to the account charged with the loss.

### § 467.4 Supervision and engineering

The supervision and engineering includible in the operating expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxi and car fares and other traveling and incidental expenses) of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operations and maintenance of each steam utility function; also office supplies and expenses, including the maintenance of office furniture and equipment. Whenever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation shall be preserved.

### § 467.5 Operating rents

(a) Rent expense accounts are provided under each functional group of expense accounts. These accounts shall be charged with all rents paid for property used in steam operations. If the rents cover property used for more than one function, such as production and distribution, the rents shall be apportioned to the appropriate rent expense accounts on an actual, or, if necessary, an estimated basis.

(b) Rents paid for property devoted to operations for which clearing accounts are used shall be charged to the appropriate clearing accounts.

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

(d) Taxes paid by the lessee upon leased property shall be charged to the appropriate rent expense or clearing account.

(e) When the lessee is responsible for the replacement of steam plant leased from others, the cost of replacements shall be charged to the appropriate rent expense or clearing account, unless a reserve therefor has been provided, in which event the charge shall be to the reserve. (See steam plant instruction § 463.6.)

(f) When a portion of property or equipment rented from others for use in connection with steam operations is subleased, the revenue derived from such subleasing shall be credited to account 610, Rent from Steam Property; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

(g) If leased property is used by more than one department, the rental on such property shall be apportioned to the appropriate rent or clearing accounts of the various departments of the utility.

(h) Property operated jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties shall be considered for the purpose of this system of accounts as a joint facility,

and the accounting in connection therewith shall be handled as provided in operation and maintenance instruction section 467.6, following.

(i) Rents payable to customers for use of their steam equipment shall be charged to a separate subdivision of account 710, Rents. (See note to account 710.)

#### § 467.6 Joint facility rents and expenses

(a) A joint facility for the purpose of this system of accounts is defined as any property occupied or used jointly by the utility and another or others under a definite arrangement whereby the actual costs are shared between or among the parties. Property of the utility occupied or used under a similar definite arrangement between the steam department and a coordinate department or departments shall likewise be considered as a joint facility. (See operating revenue instruction § 466.5.)

(b) When the utility owns the joint facility, any amount received or transferred as reimbursement of operating or maintenance expenses shall be credited to the appropriate "joint expense--credit" or clearing account except credits for steam transferred, which shall be entered in account 712, steam transferred--credits; amounts received or transferred covering depreciation, taxes and interests or return, shall be credited, in the case of another or others, to account 610, rent from steam property, and in the case of coordinate departments to account 611, interdepartmental rents.

(c) The amount paid by or transferred to the utility for costs of operation and maintenance in connection with occupancy or use of a joint facility shall be charged to the appropriate joint expense--debit or clearing account or accounts; the amount for depreciation, taxes, and interest or return, shall be charged to the rent account appropriate for the class of property involved.

(d) In the event that joint facilities are used by either party in connection with construction work, credits for the full amount received and charges for the full amount paid, as the case may be, shall be made direct to the construction accounts affected.

(e) These instructions are not intended to cover cases of joint ownership of property when each joint owner bears the cost of operating and maintaining its own property. In such cases the cost of operation and maintenance shall be recorded in the appropriate operation and maintenance accounts other than the "joint expense" debit or credit accounts even though one of the joint owners operates or maintains the property and bills against other owners for all or a portion of the expenses incurred.

(f) Steam supplied by the utility from its own supply to a coordinate department shall be accounted for as provided in operating revenue instruction section 466.5, and subdivision (b), above. If the utility desires to charge the appropriate accounts in any of its steam operations with the cost of steam used from its own supply, credit therefor shall not be made to joint expense accounts but to account 806, duplicate miscellaneous charges--credit.

(g) If the arrangement regarding use of facilities does not provide for the allocation of actual costs, the facilities shall not be considered as joint.

(h) The utility shall be prepared to furnish for each charge or credit the detail thereof and the basis of allocation.

*This information is not the official version of the Official Compilation of the Rules and Regulations of the State of New York (NYCRR). No representation is made as to its accuracy, nor may it be used as an official business record of the New York State Department of Public Service. To ensure accuracy and for evidentiary purposes, reference should be made to the official NYCRR. The Official NYCRR is available from West Publishing: 1-800-344-5009.*

§ 467.7 Records for each plant

(a) General instruction, section 461.12 calls for separate records for the book cost of each plant and the cost of operation of each plant.

(b) Steam obtained from another company shall be separately accounted for.

ACCOUNTS

BALANCE SHEET ACCOUNTS

ASSETS AND OTHER DEBITS

UTILITY PLANT

- 101. Steam Plant in Service
- 102. Steam Plant Lease to Others
- 103. Construction Work in Process
- 104. Steam Plant Held for Future Use
- 105. Steam Plant Acquisition Adjustments
- 106. Unclassified Steam Plant
- 108. Other Utility Plant

INVESTMENT AND FUND ACCOUNTS

- 110. Other Physical Property
- 112. Other Investments
- 113. Sinking Funds
- 114. Miscellaneous Special Funds

CURRENT AND ACCRUED ASSETS

- 120. Cash
- 121. Special Deposits
- 122. Working Funds
- 123. Temporary Cash Investments
- 124. Notes Receivable
- 125. [Accounts 125.1 and 125.2]
- 126. Receivables from Associated Companies
- 127. Subscriptions to Capital Stock
- 128. Interest and Dividends Receivable
- 129. Rents Receivable
- 130. Accrued Utility Revenues
- 131. Materials and Supplies
- 132. Prepayments
- 133. Other Current and Accrued Assets

DEFERRED DEBITS

- 140. Unamortized Debt Discount and Expense

- 141. Extraordinary Property Losses
- 142. Preliminary Survey and Investigation Charges
- 143. Clearing Accounts
- 144. Retirement Work in Progress
- 145. Other Work in Progress
- 146. Other Deferred Debits

#### CAPITAL STOCK DISCOUNT AND EXPENSE

- 150. Discount on Capital Stock
- 151. Capital Stock Expense

#### REACQUIRED SECURITIES

- 152. Reacquired Capital Stock
- 153. Reacquired Long-Term Debt

#### LIABILITIES AND OTHER CREDITSCAPITAL STOCK

- 200. Common Capital Stock
- 201. Preferred Capital Stock
- 202. Stock Liability for Conversion
- 203. Premiums and Assessments on Capital Stock
- 204. Capital Stock Subscribed
- 205. Instalments Received on Capital Stock

#### LONG-TERM DEBT

- 210. Bonds
- 211. Receivers' Certificates
- 213. Miscellaneous Long-Term Debt

#### ADVANCES FROM ASSOCIATED COMPANIES

- 215. Advances From Associated Companies

#### CURRENT AND ACCRUED LIABILITIES

- 220. Notes Payable
- 221. Notes Receivable Discounted
- 222. Accounts Payable
- 223. Payables to Associated Companies
- 224. Dividends Declared
- 225. Matured Long-Term Debt
- 226. Matured Interest
- 227. Customers' Deposits
- 228. Taxes Accrued
- 229. Interest Accrued
- 230. Other Current and Accrued Liabilities

#### DEFERRED CREDITS

- 240. Unamortized Premium on Debt
- 241. Customers' Advances for Construction
- 242. Other Deferred Credits

#### RESERVES

- 250. Reserve for Depreciation of Steam Plant
- 252. Reserve for Amortization of Steam Plant Acquisition Adjustments
- 254. Reserve for Uncollectible Accounts
- 255. Insurance Reserve
- 256. Injuries and Damages Reserve

- 257. Employees' Provident Reserve
- 258. Other Reserves

#### CONTRIBUTIONS IN AID OF CONSTRUCTION

- 265. Contributions in Aid of Construction

#### SURPLUS

- 270. Unearned Surplus
- 271. Earned Surplus

#### ASSETS AND OTHER DEBITS

##### UTILITY PLANT

###### 101. Steam Plant in Service

A. This account shall include the original cost of steam plant owned and used and useful by the utility in the service of the public in its steam operations, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others shall also be recorded in this account. (See steam plant instruction § 463.6.)

Note A: The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant.

Note B: The account for steam plant in service may include the entire original cost of units of property which are partially used and useful in utility operations when the portion which is so used and useful is not separable from the portion which is not used and useful.

###### 102. Steam Plant Leased to Others

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

B. The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant, and this account shall be maintained in such detail as though the property were used by the utility in its steam operations.

###### 103. Construction Work in Progress

This account shall include the total of the balance of work orders for steam plant in process of construction but not ready for service at the date of the balance sheet.

###### 104. Steam Plant Held for Future Use

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

B. The property included in this account shall be classified according to the detailed accounts (301 to 390) for steam plant, and the account shall be maintained in such manner and in such detail as though the property were in service.

Note: Materials and supplies and customers' meters held in reserve shall not be included in this account.

###### 105. Steam Plant Acquisition Adjustments

A. With respect to steam plant constructed or otherwise acquired prior to January 1, 1938, and still in service, leased to others, and held for future use at that date, this account shall include the difference between the book cost thereof as of December 31, 1937, and the original cost thereof when such difference is not clearly includible in any other account, and unless otherwise ordered by the commission.

B. With respect to steam plant acquired after December 31, 1937, as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, this account shall include (unless otherwise ordered by the commission) the difference between (a) the cost to the accounting utility of such steam plant and (b) the original cost thereof less credits representing contributions (see paragraph B of account 265, Contributions in Aid of Construction, and steam plant instruction § 463.2, subd. (e)), less the amount or amounts credited to the depreciation reserves of the accounting utility at the time of acquisition with respect to such steam plant and less the amount in account 265, Contributions in Aid of Construction. (See steam plant instructions §§ 463.1, 463.2 and 463.3.)

C. Whenever practicable, this account shall be subdivided according to the character of the amounts included herein and so as to show the amounts applicable to steam plant in service, steam plant leased to others, and steam plant held for future use.

D. A record shall be kept of the amounts in this account for each property acquisition after December 31, 1937.

E. With respect to the amount applicable to steam plant acquired prior to January 1, 1938, and to each property acquisition thereafter, the utility shall notify the commission as to its program for depreciation, amortization, or other disposition of the amounts included in this account.

#### 106. Unclassified Steam Plant

There shall be reported by this caption the net balance in the following accounts:

##### 106.1 Steam Plant in Process of Reclassification

A. There shall be closed to this account the book cost of steam plant (formerly called "fixed capital" or "operating property") as of the effective date hereof. The detail or primary accounts in support of this account employed prior to such date shall be continued pending determination of the original cost thereof and classification into the steam plant accounts herein prescribed, but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A above shall be made to this account, but retirements of steam plant owned as of the effective date hereof shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished. Note: It is intended that this shall be only a temporary account.

##### 106.2 Steam Plant Purchased

A. This account shall include the cost of steam plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, pending the distribution thereof to the appropriate accounts in accordance with steam plant instruction section 463.3.

##### 106.3 Steam Plant Sold

A. This account shall be credited temporarily with the selling price of steam plant constituting an operating unit or system, sold, conveyed or transferred to another through sale, merger, consolidation, or otherwise, pending the completion of the accounting for the transaction as provided in steam plant instruction section 463.11.

#### 108. Other Utility Plant

A. There shall be included under this caption the balances in accounts for utility plant other than steam plant.

B. A separate account shall be maintained for each utility department.

Note: In the case of utility services for which systems of accounts are prescribed by this Commission, such as electric, gas, etc., the appropriate accounts in such systems shall be used instead of this account.

##### 109.1 Common Utility Plant in Service

This account shall include the original cost of utility plant in service which is used in common for steam operations and other operations. (See steam plant instruction §463.14.)

Note A: The property included in this account shall be classified according to the accounts for steam plant.

Note B: The account for common utility plant in service may include the entire original cost of units of property which are partially used and useful in utility operations when the portion which is so used and useful is not separated from the portion which is not used and useful.

#### 109.2 Common Utility Plant Leased to Others

This account shall include the original cost of common utility plant leased to others as operating units or systems, when the lessee has exclusive possession. (See steam plant instruction § 463.14.)

Note: The property included in this account shall be classified according to the accounts for steam plant.

#### 109.3 Common Utility Plant Construction Work in Progress

This account shall include the total of the balances of work orders for common utility plant in process of construction but not ready for service at the date of the balance sheet. (See steam plant instruction § 463.14.)

#### 109.4 Common Utility Plant Held for Future Use

This account shall include the original cost of common utility plant owned and held for use in steam operations and other operations under a definite plan for such use. (See steam plant instruction § 463.14.)

Note: The property included in this account shall be classified according to the accounts for steam plant.

#### 109.5 Common Utility Plant Acquisition Adjustments

This account shall include in the case of common utility plant (see steam plant instruction § 463.14) items corresponding to those provided for steam plant in account 105, Steam Plant Acquisition Adjustments.

#### 109.6 Unclassified Common Utility Plant

This account shall include in the case of common utility plant (see steam plant instruction § 463.14) items corresponding to those provided for steam plant in accounts 106.1, Steam Plant in Process of Reclassification, 106.2, Steam Plant Purchased, or 106.3, Steam Plant Sold.

### INVESTMENT AND FUND ACCOUNTS

#### 110. Other Physical Property

A. This account shall include the cost to the utility (except as otherwise provided in steam plant instruction § 463.13, subd.) of land, structures, and equipment owned by the utility, but not used in utility service and not properly includible in account 104, steam plant held for future use, in account 108, Other Utility Plant, or in accounts 109.1 to 109.6 common utility plant.

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the nature and cost of each kind of property, from whom it was acquired, its location, and its use.

#### 111. Investments in Associated Companies

There shall be reported by this caption the amounts included in accounts 111.1 and 111.2.

##### 111.1 Investments in Securities of Associated Companies

A. This account shall include the cost (except as otherwise provided) of the utility's investment in securities issued or assumed by associated companies and held as permanent or long-term investments.

B. The account shall be maintained in such manner as to show each class of investment in each associated company.

Note: All securities of associated companies shall upon acquisition be charged to this account, but such securities if acquired for or subsequently held in special deposits or in special funds shall be transferred to the appropriate deposit, fund, or other investment account. (See general instruction, § 461.8.) A complete record of securities pledged shall be maintained.

##### 111.2 Advances to Associated Companies

A. This account shall include the amount of investment advances to associated companies and interest accrued on such advances when such interest is not subject to current settlement. (See account 126, Receivables from Associated Companies.)

B. The account shall be maintained in such manner as to show the advances to each associated company for each type of item included.

Note A: Balances in open accounts with associated companies which are subject to current settlement shall be excluded from this account and included in account 126.2, Accounts Receivable from Associated Companies.

Note B: Advances made to associated companies without expectation of reimbursement shall immediately be credited to this account and charged to account 538, Miscellaneous Income Deductions.

#### 112. Other investments

A. This account shall include the cost (except as otherwise provided) of the utility's investment in securities issued or assumed by non-associated companies, investment advances to such companies, and any investments not accounted for elsewhere. Securities held as temporary cash investments shall not be included in this account, but in account 123, Temporary Cash Investments.

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

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

#### 113. Sinking Funds

A. This account shall include the assets held in sinking funds, such as:

(1) Cash.

(2) Securities issued by others or other assets, at cost except as otherwise provided herein.

(3) Live securities, issued or assumed by the utility, at cost.

(4) Amounts deposited with trustees on account of mortgaged property sold, when held for the redemption of securities.

(5) Securities of the utility issued to trustees without intervening sale, at face value.

B. A separate account, with appropriate title, shall be kept for each sinking fund.

Note: Nothing herein contained shall be construed as preventing a utility from transferring applicable sinking or other funds to account 121.3, miscellaneous special deposits, for the purpose of paying matured sinking fund obligations, or obligations called for redemption but not presented, or the interest thereon.

#### 114. Miscellaneous Special Funds

There shall be reported by this caption the amounts included in accounts 114.1 and 114.3.

##### 114.1 Depreciation Fund

This account shall include the assets which have been segregated in a special fund for the purpose of identifying such assets with the reserve for depreciation.

##### 114.3 Miscellaneous Special Funds

A. This account shall include assets which have been segregated in special funds for insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere.

B. A separate account, with appropriate title, shall be kept for each fund. Note: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this or any other account.

### CURRENT AND ACCRUED ASSETS

#### 120. Cash

This account shall include the utility's current cash funds except working funds. (See account 122, Working Funds.)

#### 121. Special Deposits

There shall be reported by this caption the amounts included in accounts 121.1, 121.2 and 121.3.

#### 121.1. Interest Special Deposits

Special deposits with fiscal agents or others for the payment of interest shall be charged to this account. When interest is paid from the deposits, the amount shall be credited to this account and charged to the appropriate interest account.

#### 121.2. Dividend Special Deposits

Special deposits with fiscal agents and others for the payment of dividends on behalf of the utility shall be charged to this account. When dividends are paid from these deposits, the amount thereof shall be credited to this account and charged to the appropriate dividends payable account.

#### 121.3. Miscellaneous Special Deposits

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

Note A: The foregoing special deposit accounts shall not include any assets available for general purposes.

Note B: Deposits for more than one year not offset by current liabilities shall not be charged to this account but to account 112, Other Investments.

#### 122. Working Funds

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

#### 123. Temporary Cash Investments

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

B. This account shall so be maintained as to show:

Temporary cash investments--associated companies.

Temporary cash investments--other.

Note: If any of the temporary investments are pledged, proper record of such pledged investments shall be kept.

#### 124. Notes Receivable

This account shall include the cost (except as otherwise provided) of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, which are not includible in other accounts.

Note A: This account shall not include notes receivable from associated companies. (See account 126.1, notes receivable from associated companies.)

Note B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall not be credited to this account but to account 221, notes receivable discounted.

#### 125. Accounts 125.1 and 125.2.

There shall be reported by this caption the balances in accounts 125.1 and 125.2.

##### 125.1. Accounts Receivable--Customers

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

## 125.2. Other Accounts Receivable

A. This account shall include amounts owing the utility upon accounts with concerns or individuals, other than associated companies and customers for utility services and for merchandising, jobbing and contract work.

B. This account shall be maintained in such manner as to show separately the amounts due from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 122, Working Funds.)

## 126. Receivables from Associated Companies

A. This account shall include the debit balances subject to current settlement in open accounts with associated companies, and notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issuance, together with interest thereon. Items which do not bear a specified due date but which have been carried for more than ninety days and items which are not paid within 90 days from due date shall be transferred to account 111, Investments in Associated Companies.

B. This account shall be subdivided as follows:

126.1 Notes Receivable from Associated Companies.

126.2 Accounts Receivable from Associated Companies.

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

Note B: The face amount of notes receivable discounted or sold without releasing the utility from liability as endorser thereon, shall not be credited to this account, but to account 221, Notes Receivable Discounted.

## 127. Subscriptions to Capital Stock

A. This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock of the utility.

B. The amount of each subscription shall be charged to this account at the time the subscription is accepted, and concurrently there shall be credited to account 204, Capital Stock Subscribed, the par value of stock with par value subscribed for. The difference, if any, between the above amounts shall be debited or credited, as appropriate, to account 150, Discount on Capital Stock, or account 203, Premiums and Assessments on Capital Stock. For non-par stock the entire subscription price shall be credited to account 204, Capital Stock Subscribed.

Note: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

## 128. Interest and Dividends Receivable

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., and the amount of dividends receivable on stocks owned.

Note A: Interest and dividends receivable from associated companies shall be included in account 126.2, Accounts Receivable from Associated Companies.

Note B: Interest which is not subject to current settlement shall be included in the account in which is carried the principal on which the interest is accrued.

Note C: No interest or dividends on securities issued or assumed by the utility shall be included in this account.

## 129. Rents Receivable

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

Note: Rents receivable from associated companies shall be included in account 126.2, Accounts Receivable from Associated Companies.

## 130. Accrued Utility Revenues

This account may include the estimated amount accrued to the utility for service rendered, but not billed, as of the end of any accounting period. (The use of this account is optional.)

Note: In case the utility accrues, unbilled revenues, it shall likewise accrue unbilled expenses, such as for the purchase of steam.

### 131. Materials and Supplies

A. This account shall include the cost of unissued small tools and unapplied materials and supplies (including fuel). The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges.

B. Inward transportation charges for materials as far as practicable shall be included as a part of the cost of the particular materials to which they relate. When not so included, they shall be charged to account 902, Stores Expenses-Clearing.

C. Cash or other discounts on materials shall be deducted, when practicable, in determining the cost of the particular material, or credited to the account to which the material is charged. Discounts which are not so handled shall be credited to account 902, Stores Expenses--Clearing.

D. Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost of material only, as defined in paragraphs A to C hereof, including transportation to point of original receipt, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use. (See also steam plant instruction, § 463.4, subd. (a) (5).)

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

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

E. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in account 902, Stores Expenses-Clearing.

Note A: Interest on material bills, the payment of which has been delayed, shall be charged to account 535, Other Interest Charges.

Note B: The records supporting this account shall be kept so as to show, so far as practicable, the book cost of materials and supplies for each utility service and the book cost of merchandise carried in stock for the purpose of sale. Appliances held under consignment shall not be included herein, but there shall be kept a memorandum account of such appliances either at cost or at selling price, to show the appliances in stock and appliances sold.

Note C: See also general instruction 461.12.

Note D: Customers' meters in stock or undergoing repairs shall not be included in this account, but in account 360.

### 132. Prepayments

This account shall include amounts representing prepayments of insurance, rents, taxes, interest, and miscellaneous items, and shall be kept or supported in such manner as to disclose the amount of each class of prepayments. Entries shall be made each month transferring from this account to the appropriate accounts the portion of each prepayment which is applicable to that month.

### 133. Other Current and Accrued Assets

A. This account shall include current and accrued assets of the general nature defined in account 120 to 132, inclusive, but not properly includible in any of those accounts.

B. The records supporting the entries to this account shall be so kept as to show the nature of each class of assets included herein.

## DEFERRED DEBITS

### 140. Unamortized Debt Discount and Expense

This caption shall include the total of the debit balances, of those accounts having debit balances, of the discount, expense, and premium accounts, for all classes of long-term debt. (See balance sheet instruction § 462.6.)

### 141. Extraordinary Property Losses

A. This account shall include, when so authorized or directed by the commission, losses in service value of property abandoned or otherwise retired from service which are not provided for by the depreciation reserves and which could not reasonably have been foreseen and provided for. It shall include also, when so authorized or directed by the commission, extraordinary losses, such as unforeseen damages to property which could not reasonably have been anticipated and which are not covered by reserves or by insurance.

B. The entire loss in service value of utility plant retired shall be charged to the depreciation reserves. If all, or a portion, of the loss in service value is to be included in this account, the depreciation reserve shall then be credited and this account charged with the amount properly chargeable hereto.

C. This account shall be so maintained that convenient itemization may be made of all amounts included herein.

D. Before making any entries in this account, the utility shall obtain the approval of the commission. Application for permission to use the account shall be accompanied by a statement or statements giving a complete explanation of the nature and cause of the property loss together with a description of the property, its location, the original cost thereof, classified in accordance with the prescribed steam plant accounts, the cost to the utility, the amount at which the property is retired or to be retired, the amount, if any, chargeable to the depreciation reserves (showing cost thus chargeable, salvage, and cost of removal) the amount it is proposed to include in this account, the period over which and the accounts to which it is proposed to write off the loss, and a copy of any statement or statements made or planned to be made to a trustee under a mortgage or other indenture with respect to the property.

### 142. Preliminary Survey and Investigation Charges

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited and the appropriate property account charged. If the work is abandoned, the charge shall be to account 538, Miscellaneous Income Deductions, or account 414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by the commission. (See also general instruction §461.15.)

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

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

### 143. Clearing Accounts

This caption shall include undistributed balances in clearing accounts (see accounts 902 to 907) at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

### 144. Retirement Work in Progress

This account shall include the total of the balances of work orders for the retirement of utility plant. The amount credited to steam plant shall be charged to this account at the date the property is retired from steam service, and the cost of removal shall be charged to the account as incurred. Credits for salvage and insurance recovered shall be made to this account. Each work order applicable to steam plant shall be closed to account 250, Reserve for Depreciation of Steam Plant, upon completion of the removal, in such a manner as to record separately in the reserve the original cost of plant retired, the cost of removal, and the salvage or insurance recovered.

#### 145. Other Work in Progress

This account shall include the total of the balances in open work or job orders for work in progress, other than that covered by accounts 103, Construction Work in Progress, 108, Other Utility Plant, 109.3, Common Utility Plant Construction Work in Progress, and 144, Retirement Work in Progress.

#### 146. Other Deferred Debits

A. This account shall include all debits, not elsewhere provided for, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization. (See also general instruction § 461.14.)

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

### CAPITAL STOCK DISCOUNT AND EXPENSE

#### 150. Discount on Capital Stock

A. There shall be reported by this caption all balances in the accounts for discount on capital stock.

B. The accounts hereunder shall be kept in such manner as to show separately the discount on each class and series of capital stocks. (See balance sheet instruction § 462.5.)

C. Amortization credits to this account shall be debited to account 414, Miscellaneous Debits to Surplus.

#### 151. Capital Stock Expense

A. There shall be reported by this caption all balances in the accounts for expenses incurred in connection with the authorization, issuance and sale of capital stocks.

B. The accounts hereunder shall be kept in such manner as to show separately the expense on each class and series of capital stocks. (See balance sheet instruction § 462.5.)

C. Amortization credits to this account shall be debited to account 414, Miscellaneous Debits to Surplus.

Note: There shall not be included in this account expenses in connection with the reacquisition of the utility's capital stock.

### REACQUIRED SECURITIES

#### 152. Reacquired Capital Stock

A. This account shall include the par value of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds. Stock without par value shall be included in this account at the proportionate amount at which the particular class and series of stock is included in account 200, Common Capital Stock, or account 201, Preferred Capital Stock.

B. The accounting for amounts paid for capital stock reacquired shall be as provided in paragraph e of balance sheet instruction section 462.5.

C. When reacquired capital stock is resold by the utility (see section 82 of Public Service Law) the par value (or amount included in this account for stock without par value) of the stock resold shall be credited to this account.

D. This account shall be maintained or supported in such manner as to show the amount herein applicable to each class and series of stock.

### 153. Reacquired Long-Term Debt

A. This account shall include the par or face value of bonds or other long-term debt actually issued or assumed by the utility and reacquired by it and held under conditions which do not permit the utility to treat such securities as paid, retired, or canceled, but which permit the resale of the securities. (See section 82 of Public Service Law.) It shall not include securities which are held by trustees in sinking or other funds.

B. When the securities are reacquired, the difference between the par or face value and the amount paid upon reacquisition, and any unamortized discount, expense or premium, shall be accounted for in accordance with balance sheet instruction section 462.6.

C. This account shall be maintained or supported in such manner as to show the amount herein applicable to each class and series of long-term debt.

## LIABILITIES AND OTHER CREDITS

### CAPITAL STOCK

#### 200. Common Capital Stock

#### 201. Preferred Capital Stock

A. These accounts shall include the par value of capital stock with par value and the cash value of the consideration received for non-par stock, of each class of capital stock actually issued and actually outstanding, and also the capital stock in account 152, Reacquired Capital Stock.

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

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

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

Note A: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment on capital stock with par value shall be credited to account 203, Premiums and Assessments on Capital Stock, and a levy or assessment on capital stock without par value shall be included in this account.

Note B: No entries, other than those covered by the above provision and those to record liquidating dividends, shall be made in any account for non-par stocks, except upon order of the commission.

Note C: When the amount at which a given class of stock is recorded in an account for either par or non-par stock is either increased or decreased to reflect any transaction other than the routine issuance or retirement of individual shares of such stock, the utility shall within 10 days thereof submit to this commission, with full supporting details, a copy of the entry whereby such increase or decrease was effected.

#### 202. Stock Liability for Conversion

A. This account shall include the par value of capital stock with par value and the cash value of the consideration for non-par stock which the utility has agreed to exchange for outstanding securities of other companies in connection with the acquisition of properties of such companies under terms which allow the holders of the securities of the other companies to surrender such securities and receive in return therefor capital stock of the accounting utility.

B. When the securities of the other companies have been surrendered, this account shall be charged and account 200, Common Capital Stock, or account 201, Preferred Capital Stock, as the case may be, shall be credited.

C. The records shall be so kept as to show separately the stocks of different classes and series for which liability may exist.

#### 203. Premiums and Assessments on Capital Stock

A. This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments required in excess of par value.

B. A separate account shall be maintained for premiums and assessments on each class and series of stock.

C. When capital stock is reacquired or retired, the amount in this account with respect to the shares of such stock reacquired or retired shall be debited hereto. (See balance sheet instruction § 462.5.)

Note: Assessments on stock without par value shall be included in account 200 or account 201, as appropriate.

#### 204. Capital Stock Subscribed

A. This account shall include the amount of legally enforceable subscriptions to capital stock of the utility. It shall be credited with the par value of capital stock with par value or with the subscription price, in the case of stock without par value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to account 127, Subscriptions to Capital Stock, for the agreed price; any discount or premium on capital stock with par value shall be debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the shares subscribed, this account shall be debited and account 200, Common Capital Stock, or account 201, Preferred Capital Stock, shall be credited with the par value of capital stock with par value, and with the consideration received for capital stock without par value.

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

#### 205. Installments Received on Capital Stock

A. This account shall include the amount of installments received on capital stock on a partial or instalment payment plan from subscribers who are not bound by a legally enforceable subscription contract.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and account 200, Common Capital Stock, account 201, Preferred Capital Stock, or account 152, Reacquired Capital Stock, as appropriate, credited with the par value of such capital stock having par value, and with the consideration received for capital stock without par value. Any discount or premium on capital stock with par value shall be included in the appropriate discount or premium account.

C. The records shall be kept in such manner as to show the amount of installments received on each class and series of stock.

Note: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

### LONG-TERM DEBT

#### 210. Bonds

A. This account shall include the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility.

B. This account shall be so kept or supported as to show the face value of (1) nominally issued bonds, (2) nominally outstanding bonds and (3) actually outstanding bonds of each class and series.

Note A: For instructions relative to accounting for discount, expense, and premium on long-term debt, see balance sheet instruction section 462.6.

Note B: Matured long-term debt shall be included in account 225, Mature Long-term Debt.

#### 211. Receivers' Certificates

A. This account shall include the face value of certificates of indebtedness issued by receivers in possession of the property and acting under the orders of a court.

B. A separate subdivision shall be maintained for each issue of receivers' certificates.

Note: Matured receivers' certificates shall be included in account 225, Matured Long-term Debt.

#### 213. Miscellaneous Long-Term Debt

A. This account shall include until maturity, all long-term debt not otherwise provided for. This covers such items as real estate mortgages, executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption. (See balance sheet instruction § 462.3.)

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

Note: Matured long-term debt shall be included in account 225, Matured Long-term Debt.

### ADVANCES FROM ASSOCIATED COMPANIES

#### 215. Advances From Associated Companies

A. This account shall include the face value of notes owed to associated companies and the amount of open book accounts representing advances from associated companies, not subject to current settlement, including interest thereon when such interest is not subject to current settlement. (See general instruction § 461.8.)

B. This account shall be subdivided as follows:

215.1 Advances on Notes.

215.2 Advances on Open Accounts.

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

Note B: Notes and open accounts representing indebtedness subject to current settlement shall be included in account 223, Payables to Associated Companies.

### CURRENT AND ACCRUED LIABILITIES

#### 220. Notes Payable

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness to other than associated companies, payable on demand or which by their terms are payable within a time not exceeding one year from the date of issue. (See balance sheet instruction § 462.3.)

#### 221. Notes Receivable Discounted

This account shall include the face value of notes receivable discounted or sold without releasing the utility from liability as endorser thereon.

#### 222. Accounts Payable

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

#### 223. Payables to Associated Companies

This account shall include amounts owed to associated companies on notes, drafts, acceptances or other similar evidences of indebtedness and open accounts payable on demand or not more than one year from date of issue or creation. (See general instruction § 461.8). This account shall be subdivided as follows:

223.1 Notes Payable to Associated Companies.

223.2 Accounts Payable to Associated Companies.

Note A: Exclude from this account notes and accounts which are includible in account 215, Advances from Associated Companies.

Note B: Interest on debt to associated companies which is not subject to current settlement shall be included in the account wherein is carried the debt on which it accrues; if subject to current settlement it shall be included in subdivision 223.2 of this account.

#### 224. Dividends Declared

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

#### 225. Matured Long-term Debt

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

#### 226. Matured Interest

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

#### 227. Customers' Deposits

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

#### 228. Taxes Accrued

A. This account shall be credited during each accounting period with the amount of taxes accrued during the period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under account 132, Prepayments.

B. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the amount, by classes, of taxes accrued, the basis for each tax accrual and the accounts to which charged, and the amount, by classes, of taxes paid.

#### 229. Interest Accrued

There shall be reported by this caption the balances included in accounts 229.1 and 229.2.

##### 229.1 Interest Accrued on Long-term Debt

This account shall include the amount of interest accrued on the longterm debt of the utility. This account shall not include any interest which is added to the principal of the debt on which incurred.

##### 229.2 Interest Accrued on Other Liabilities

This account shall include the amount of interest accrued on liabilities of the utility other than long-term liabilities. This account shall not include any interest which is added to the principal of the debt on which incurred.

Note: Interest accrued on debt to associated companies, which interest is subject to current settlement, shall be included in account 223.2, Accounts Payable to Associated Companies.

#### 230. Other Current and Accrued Liabilities

This account shall include the current and accrued liabilities not provided for elsewhere.

### DEFERRED CREDITS

#### 240. Unamortized Premium on Debt

This caption shall include the total of the credit balances of the discount, expense, and premium accounts, for all classes of long-term debt, including receivers' certificates. (See balance sheet instruction § 462.6.)

#### 241. Customers' Advances for Construction

A. This account shall include such advances by customers for construction as are to be refunded wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be debited hereto and credited to the steam plant accounts to which the cost of the property was charged. B. Separate subdivisions shall be kept for each utility service.

#### 242. Other Deferred Credits

This account shall include advanced billings and receipts and other deferred credit items, not provided for elsewhere; also amounts which can not be entirely cleared or disposed of until additional information has been received or which should be credited to income or to surplus accounts in the future.

### RESERVES

#### 250. Reserve for Depreciation of Steam Plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 503, Depreciation (except in connection with common utility plant), to account 508, Income from Steam Plant Leased to Others, or to clearing accounts or to income or other accounts for currently accruing depreciation of steam plant.

(2) Amounts charged to account 414, Miscellaneous Debits to Surplus, for past accrued depreciation of steam plant.

(3) Accrued depreciation upon steam properties acquired as operating units or systems (see steam plant instruction § 463.3).

(4) Amounts chargeable upon approval of the commission to account 141, Extraordinary Property Losses.

B. This account shall be charged with the book cost (see § 460.1 (a) (6)) of steam plant retired, except items in account 301, Organization, and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. (See also account 144, Retirement Work in Progress.)

C. For balance sheet purposes, this account shall be regarded and treated as a single composite reserve. For purposes of analysis, however, each utility shall maintain records in which the depreciation reserve shall be segregated according to the primary steam plant accounts. The credits and debits to the reserve shall be so made as to show separately for each primary steam plant account (1) the amount of the accrual for depreciation, (2) the original cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance. (See also general instruction § 461.12.)

D. When transfers of property are made from one utility plant account to another or from or to non-utility property, the accounting shall be as provided in steam plant instruction § 463.13.

E. This account shall be subdivided as follows:

250.1 Reserve for Depreciation of Steam Plant in Service.

250.2 Reserve for Depreciation of Steam Plant Leased to Others. 250.3 Reserve for Depreciation of Steam Plant Held for Future Use.

250.4 Reserve for Depreciation of Unclassified Steam Plant.

Note: The utility is restricted in its use of the reserve to the purposes set forth above. It shall not divert any portion of the reserve to surplus or make any other use thereof without the approval of the commission.

#### 252. Reserve for Amortization of Steam Plant Acquisition Adjustments

This account shall be credited or debited with amounts which are charged or credited to account 505, Amortization of Steam Plant Acquisition Adjustments, to account 537, Miscellaneous Amortization, or to surplus, for the purpose of providing for the extinguishment of amounts in account 105, Steam Plant Acquisition Adjustments.

#### 253.1 Reserve for Depreciation and Amortization of Other Utility Plant

This account shall include the depreciation and amortization reserves applicable to property in account 108, Other Utility Plant.

Note: In the case of utility services for which systems of accounts are prescribed by this commission, such as electric, gas, etc., the appropriate accounts in such systems shall be used instead of this account.

#### 253.2 Reserve for Depreciation and Amortization of Common Utility Plant

This account shall include the depreciation and amortization reserves applicable to property carried in accounts 109.1, 109.2, 109.4, 109.5, and 109.6, subdivided so as to show separately the amounts applicable to each primary plant account. (See also general instruction § 461.12.)

A. This account shall include the depreciation and amortization reserves applicable to property not otherwise specifically provided for, including that carried in account 110, Other Physical Property.

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

#### 254. Reserve for Uncollectible Accounts

A. This account shall be credited each month with amounts reserved for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 783, Uncollectible Accounts, for amounts applicable to steam operations, and to corresponding accounts for other operations.

B. This account shall be subdivided as follows:

254.1 Utility Customers.

254.3 Associated Companies.

254.4 Officers and Employees.

254.5 Other.

Note: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.

#### 255. Insurance Reserve

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to account 798, Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by selfinsurance.

Note A: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.

Note B: All repairs shall be charged in the first instance to the account appropriate for the repair, and all retirements shall be charged to depreciation reserves, to which accounts shall be credited amounts chargeable to this account.

#### 256. Injuries and Damages Reserve

A. This account shall be credited with amounts charged to account 799, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property not owned or held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account.

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

Note B: Accretions to this reserve shall not be made in excess of a reasonable provision against losses of the character provided for.

#### 257. Employees' Provident Reserve

A. This account shall include provision which has been made by charges to operating expense or other accounts, or by specific appropriations of income or surplus, and by amounts contributed by employees (whether carried in special funds or in general funds of the utility) for pensions, accident or death benefits, savings, relief, hospital, and other provident purposes.

B. This account shall be charged with payments for which provision has been made in accordance with paragraph A.

C. Separate accounts shall be kept for each kind of reservation included herein.

Note: Amounts paid into a trust fund irrevocably devoted to the payment of pensions or other employees' benefits shall not be included in this or any other account.

#### 258. Other Reserves

A. This account shall include all reserves maintained by the utility and which are not provided for elsewhere in this system of accounts.

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

### CONTRIBUTIONS IN AID OF CONSTRUCTION

#### 265. Contributions in Aid of Construction

A. This account shall include those contributions for construction purposes made prior to January 1, 1945 in cash, services or property by States, municipalities or other governmental agencies, individuals and others which have not been transferred to other accounts. (See steam plant instruction § 463.3.)

B. Amounts in this account at December 31, 1944 which can be identified with steam plant accounts or can be distributed to steam plant accounts under a plan approved by the commission shall be transferred to the appropriate accounts; otherwise the amounts remain in this account. Except as provided herein and in steam plant instruction, section 463.11 subdivision (f) in the case of steam plant sold, amounts in this account shall not be transferred to any other account without the approval of the commission.

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

D. This account shall be subdivided according to departments (steam, electric, gas, etc.) of the utility.

### SURPLUS

#### 270. Unearned Surplus

A. This account shall include all surplus not classified herein as earned surplus. It shall include surplus arising from the acquisition of the utility's capital stock, from donations by stockholders, from a reduction of the par or stated value of the utility's capital stock, and from the forgiveness of debt of the utility except when the circumstances under which such debt was created indicate that its forgiveness is an adjustment of earned surplus and the commission has approved its inclusion in earned surplus.

B. This account shall be maintained in such manner as to permit a ready analysis of the charges and credits hereto.

Note: This account includes items often termed capital surplus.

#### 271. Earned Surplus

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus includible in account 270, Unearned Surplus.

### LIST OF PRIMARY STEAM PLANT ACCOUNTS I. INTANGIBLE PLANT

#### 301. Organization

- 302. Franchises and Consents
- 303. Miscellaneous Intangible Plant

## II. PRODUCTION PLANT

- 310. Land and Land Rights
- 311. Structures and Improvements
- 312. Boiler Plant Equipment
- 315. Accessory Power Equipment
- 316. Miscellaneous Station Equipment

## III. DISTRIBUTION PLANT

- 350. Land and Land Rights
- 351. Structures and Improvements
- 353. Mains
- 359. Services
- 360. Meters
- 361. Accessory Equipment on Customers' Premises
- 362. Installation of Meters and Accessory Equipment

## IV. GENERAL PLANT

- 370. Land and Land Rights
- 371. Structures and Improvements
- 372. Office Furniture and Equipment
- 373. Transportation Equipment
- 374. Stores Equipment
- 375. Shop Equipment
- 376. Laboratory Equipment
- 377. Tools and Work Equipment
- 378. Communication Equipment
- 379. Miscellaneous Equipment
- 390. Other Tangible Property

## I. INTANGIBLE PLANT

- 301. Organization

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

## ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
2. Fees and expenses for incorporation.

3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

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

Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. Amounts previously carried on the books of predecessor corporations shall not be included in this account.

### 302. Franchises and Consents

A. This account shall include amounts paid to the Federal government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission or approval.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 414, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto.

D. This account shall be maintained in such a manner as to show separately the amounts included for perpetual franchises and for limited term franchises.

Note: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

### 303. Miscellaneous Intangible Plant

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's steam operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

## II. PRODUCTION PLANT

### 310. Land and Land Rights

This account shall include the cost of land and land rights used in connection with steam production. (See steam plant instruction § 463.8.)

### 311. Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with steam production. (See steam plant instruction § 463.9.)

### 312. Boiler Plant Equipment

This account shall include the cost installed of furnaces, boilers, fuel handling and preparation equipment, steam and feed water piping, boiler apparatus and accessories used in the production or conditioning of steam.

## ITEMS

(1) Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.

(2) Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.

(3) Boiler plant cranes and hoists and associated drives.

(4) Boilers and equipment, including boilers and baffles, economizers, super heaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow down system, drying out of new boilers, also associated motors or other power equipment.

(5) Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.

(6) Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.

(7) Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.

(8) Gas burning equipment, including holders, burner equipment and piping, control equipment, etc.

(9) Instruments and devices, including all measuring, indicating and recording equipment for boiler plant service together with mountings and supports.

(10) Lighting systems (not chargeable to structures).

(11) Oil burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.

(12) Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.

(13) Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.

(14) Station piping, including pipe, valves, fittings, separators, traps, de-superheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., except building plumbing or heating.

(15) Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.

(16) Ventilating equipment.

(17) Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.

(18) Water supply systems, including pumps, motors, strainers, raw water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.

(19) Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

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

Note B: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures, or equipment on customers' premises or on distribution mains used for conditioning steam.

### 315. Accessory Power Equipment

A. This account shall include the cost installed of equipment devoted to the production of power for the supply of auxiliaries and general station use.

B. Subdivisions shall be maintained hereunder for the cost of equipment used for each type of power produced.

#### ITEMS

- (1) Batteries, for control and general station use.
- (2) Belts, pulleys, hangers, shafts and countershafts.
- (3) Cables between generators and switchboards.
- (4) Compartments, including buses, connections, and items permanently attached.
- (5) Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves, and vacuum breakers.
- (6) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
- (7) Generators, including driving units (engines, turbines, and internal combustion engines).
- (8) Lubricating systems, including filters, tanks, pumps, and piping.
- (9) Motor generators, frequency changers, and rotary converters.
- (10) Overhead lines.
- (11) Piping, applicable to apparatus listed herein.
- (12) Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
- (13) Protective equipment, including lighting arresters, relays, circuit breakers, switches, reactors, etc.
- (14) Steelwork, specially constructed for apparatus listed herein.
- (15) Switchboards, including frames, panels, control wiring, and instruments.
- (16) Switching equipment, including oil circuit breakers, disconnecting switches, and connections.
- (17) Test equipment, including apparatus permanently attached.
- (18) Transformers.
- (19) Tunnels, intake and discharge, when not constructed as part of the structure.
- (20) Underground conduits and cable.
- (21) Ventilating equipment, including items wholly identified with apparatus listed herein.

### 316. Miscellaneous Station Equipment

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

#### ITEMS

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

(6) Locomotives not includible elsewhere.

(7) Marine equipment, including boats, barges, etc.

(8) Miscellaneous belts, pulleys, countershafts, etc.

(9) Miscellaneous equipment, including atmospheric and weather indicating devices, intra-site communication equipment, laboratory equipment, signal systems, telephones, emergency whistles and sirens, fire alarms, and other similar equipment.

(10) Railway cars not includible elsewhere.

(11) Refrigerating systems, including compressors, pumps, cooling coils, etc.

(12) Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.

(13) Ventilating equipment, including items wholly identified with apparatus listed herein.

Note A: When an item of equipment listed herein is used wholly in connection with equipment included in another account its cost shall be included in such other account.

Note B: Include office furniture and equipment, desks, chairs, etc., in account 372, Office Furniture and Equipment.

### III. DISTRIBUTION PLANT

#### 350. Land and Land Rights

This account shall include the cost of land and land rights used in connection with distribution operations. (See steam plant instruction § 463.8.)

#### 351. Structures and improvements

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See steam plant instruction § 463.9.)

#### 353. Mains

A. This account shall include the cost installed of mains and housing used in the distribution of steam and also of any regulating and measuring equipment located on distribution mains.

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

### ITEMS

(1) Anchor fittings.

(2) Conditioning equipment-desuperheaters, separators, etc. (not located at source of supply).

(3) Cooling coils on distribution mains.

(4) Drains.

(5) Eductors.

(6) Ejectors.

(7) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.

(8) Expansion joints.

(9) Fillers.

(10) Foundations and vaults for items listed herein.

(11) Governors or regulators for pressure, etc., in mains.

(12) Housing and insulation.

- (13) Manholes.
- (14) Meters located on mains.
- (15) Moisture and temperature indicators and other recording devices on distribution mains.
- (16) Municipal inspection.
- (17) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
- (18) Permits.
- (19) Pipe, fittings and valves.
- (20) Pipe laying.
- (21) Protection of street openings.
- (22) Pumps, electric and steam.
- (23) Removal and relocation of subsurface obstructions.
- (24) Rollers and saddles.
- (25) Sewer connections.
- (26) Sumps.
- (27) Traps.
- (28) Valves and valve pits.
- (29) Variators.
- (30) Ventilating chambers and vents.

Note A: The cost of replacing pavement, pavement base, and sidewalks shall be included in a separate subdivision of this account. (See steam plant instruction § 463.11, subd. (i).)

Note B: When steam mains and associated devices are raised or lowered or other change in their location is made, the cost of the work shall be charged to the maintenance account appropriate for the class of property which is moved. Incidental replacement of retirement units in connection with a change in location shall be accounted for as additions and retirements.

A. This account shall include the cost installed of service pipes, insulation, housing and other equipment, from the point at which the main is tapped to and including the first fitting or valve inside of the building wall, when the utility actually incurs such cost for which it has not been reimbursed.

\* No B.

C. Services which have been used but have become inactive and for which there is no prospect of reuse shall be retired. Utilities shall establish a routine whereby accuracy of accounting for services will be checked for the entire territory within each five-year period.

D. When a service previously retired in accordance with paragraph C is reused, the retirement entry shall be reversed.

#### ITEMS

- (1) Curb valves and curb boxes.
- (2) Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
- (3) Municipal inspection.
- (4) Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
- (5) Permits.
- (6) Pipe and fittings, including saddle, tee, etc.

(7) Pipe insulation, housing, etc.

(8) Pipe laying.

(9) Protection of street openings.

(10) Stuffing boxes.

(11) Separators.

Note B: The cost of replacing pavement, pavement base, and sidewalks shall be included in a separate subdivision of this account. (See steam plant instruction § 463.11 subd. (i).)

Note C: When steam services and associated devices are raised or lowered or other change in their location is made, the cost of the work shall be charged to the maintenance account appropriate for the class of property which is moved. Incidental replacement of retirement units in connection with a change in location shall be accounted for as additions and retirements.

#### 360. Meters

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

B. When a meter is permanently retired from service, the amount at which it is included herein shall be credited to this account.

#### ITEMS

(1) Meters-flow or condensation.

(2) Recorders.

(3) Registers.

(4) Strainers.

(5) Testing and badging new meter.

Note A: This account shall not include meters for recording the output of a steam production plant, meters on the distribution mains, etc. It includes only those meters used to record the steam delivered to customers, including company use.

Note B: The utility shall maintain a statistical record to show separately the number of each type and size of meter or group of types and sizes as carried in the continuing property record. Underlying records shall be kept so that the utility can determine readily for each such classification the number of meters in service (subdivided between active and inactive); and the number carried herein but not in service, the latter to include meters undergoing repairs.

Note C: Minor items shall be included in this account only when installed for service; otherwise they shall be carried in account 131, Materials and Supplies.

#### 361. Accessory Equipment on Customers' Premises

This account shall include the cost of devices and appurtenances associated with meters and the cost of other equipment owned by the utility and installed on customers' premises which is not includible in other accounts.

#### ITEMS

(1) Automatic outdoor control devices.

(2) Bypasses.

(3) Cooling coils.

(4) Eliminators.

(5) Equalizing arrangements.

- (6) Head pressure pipe arrangements.
- (7) Meter dummies.
- (8) Pre-heaters.
- (9) Separators (not installed in connection with services).
- (10) Service reducing pressure valves.
- (11) Service traps.
- (12) Service valves.
- (13) Steam service controls.
- (14) Thermostatic controls.
- (15) Traps (other than service).

Note A: Minor items shall be included in this account only when installed for service; otherwise they shall be carried in account 131, Materials and Supplies.

Note B: The cost of steam equipment on customers' premises leased to customers shall be carried in a separate subdivision of this account.

Note C: This account shall not include the cost of installation; see account 362, Installation of Meters and Accessory Equipment, and notes thereto.

#### 362. Installation of Meters and Accessory Equipment

A. This account shall include the cost of labor employed, materials (except those chargeable to account 360 or 361) used and expenses incurred in connection with the first installation at a location of meters and accessory equipment included in account 360, Meters, or 361, Accessory Equipment on Customers' Premises.

B. When any metered service is discontinued and the meter removed and not immediately replaced, this account shall be credited with the installation cost if such cost is included herein.

Note A: The cost of removing and resetting meters shall be charged to account 762.1, Removing and Resetting Meters and Accessory Equipment.

Note B: Charges made to customers for connection, disconnection or reconnection of meters shall be credited to account 615, Miscellaneous Steam Revenues.

Note C: All installation costs (including minor items of material) for meters and accessory equipment includible in account 360, Meters, may be charged to account 762.1, Removing and Resetting Meters and Accessory Equipment.

### IV. GENERAL PLANT

#### 370. Land and Land Right\*

A. This account shall include the cost of land and land rights used for steam plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See steam plant instruction § 463.8.)

\* So in original. "Right" should be "Rights"

#### 371. Structures and Improvements

A. This account shall include the cost in place of structures and improvements used for steam plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See steam plant instruction § 463.9.)

#### 372. Office Furniture and Equipment

A. This account shall include the cost installed of all office furniture and equipment owned by the utility and devoted to steam service, and not permanently attached to buildings. Articles of slight value or short service life acquired subsequent to the commencement of operations shall be charged to the appropriate operating expense account and not to this account. (See also note to steam plant instruction § 463.4, subd. (a) (3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

#### ITEMS

- (1) Book cases and shelves.
- (2) Desks, chairs, and desk equipment.
- (3) Drafting room equipment.
- (4) Filing, storage, and other cabinets.
- (5) Floor covering.
- (6) Library and library equipment.
- (7) Mechanical office equipment such as accounting machines, typewriters, etc.
- (8) Safes.\*\* So in original. "Safes" should be "a. Safes"
- (8)b. Signs, display and advertising.
- (9) Tables.

#### 373. Transportation Equipment

A. This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structure. (See also note to steam plant instruction § 463.4, subd. (a) (3).) This account shall be subdivided as follows: 373.1. Vehicles, 373.2. Garage and repair equipment.

B. If the utility has garage equipment at more than one location, separate records shall be maintained for each location.

#### ITEMS

- (1) Airplanes and other aviation equipment.
- (2) Automobile repair shop equipment.
- (3) Automobiles.
- (4) Battery charging equipment.
- (5) Bicycles.
- (6) Drays.
- (7) Electric vehicles.
- (8) Gasoline and oil pumps (portable).
- (9) Gasoline storage tanks.
- (10) Greasing tools and equipment.
- (11) Horses, wagons, and harness.
- (12) Horseshoeing equipment.
- (12)a. Marine equipment.
- (13) Motor trucks.
- (14) Motorcycles.
- (15) Oil storage tanks.
- (16) Repair cars or trucks.

- (17) Tractors.
- (18) Trailers.
- (19) Trucks.
- (19)a. Tugs.
- (20) Other garage or stable equipment.

Note A: Office furniture and equipment shall be included in account 372, Office Furniture and Equipment.

Note B: Compressors, hoists, concrete mixers, etc., so mounted on a vehicle that they can be removed readily, thereby making the vehicle available for transportation of other material or equipment, shall be included in account 377, Tools and Work Equipment, and the vehicle shall be included in this account; minor incidental equipment, such as pumps for drying manholes or tool racks and boxes which interfere little with the use of the vehicle for other transportation, shall, together with the vehicle, be included in this account.

#### 374. Stores Equipment

A. This account shall include the cost installed of equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure. (See also note to steam plant instruction §463.4, subd. (a) (3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

#### ITEMS

- (1) Chain falls.
- (2) Counters.
- (3) Cranes (portable).
- (4) Elevating and stacking equipment (portable).
- (5) Hoists.
- (6) Lockers.
- (7) Scales.
- (8) Shelving.
- (9) Storage bins.
- (10) Trucks, hand and power driven.
- (11) Wheelbarrows.

#### 375. Shop Equipment

A. This account shall include the cost installed of all equipment specially provided for general shops when such equipment is not an integral part of the housing structure. (See also note to steam plant instruction § 463.4, subd. (a) (3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

#### ITEMS

- (1) Anvils.
- (2) Belts, shafts, and countershafts.
- (3) Boilers.
- (4) Cranes and Hoists.

- (5) Drill presses.
- (6) Electric equipment.
- (7) Engines.
- (8) Forges.
- (9) Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
- (10) Furnaces.
- (11) Gas producers.
- (12) Lathes.
- (13) Machine tools.
- (14) Motor driven hand tools.
- (15) Motors and engines.
- (16) Pipe threading and cutting machines.
- (17) Pneumatic tools.
- (18) Smithing equipment.
- (19) Tool racks.
- (20) Vises.
- (21) Work benches, etc.

Note: Office furniture and equipment shall be included in account 372, Office Furniture and Equipment.

#### 376. Laboratory Equipment

A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts. (See also note to steam plant instruction § 463.4, subd. (a) (3).)

B. If the utility has equipment includible in this account at more than one location, separate records shall be maintained for each location.

#### ITEMS

- (1) Balances and scales.
- (2) Barometers.
- (3) Calorimeters.
- (4) Condensers and supports.
- (5) Crushers and grinders.
- (6) Electric furnaces.
- (7) Gas analysis apparatus.
- (8) Gauges and gauge testers.
- (9) Glassware, heaters, burettes, etc.
- (10) Laboratory hoods, tables, and cabinets.
- (11) Manometers.
- (12) Piping.

(13) Pyrometers.

(14) Thermometers, indicating and recording.

(15) Weighing tanks.

(16) Other testing, laboratory or research equipment not provided for elsewhere.

Note: Office furniture and equipment shall be included in account 372, Office Furniture and Equipment.

#### 377. Tools and Work Equipment

This account shall include the cost of tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts. (See also note to steam plant instruction § 463.4, subd. (a) (3).)

#### ITEMS

(1) Air compressors, including driving unit and vehicle.

(2) Boilers.

(4) Concrete mixers and distributors.

(5) Derricks.

(6) Engines.

(7) Forges.

(8) Furnaces.

(9) Hoists.

(10) Ladders.

(11) Lathes.

(12) Motors.

(13) Pile drivers.

(14) Pipe machines.

(14)a. Pneumatic tools.

(15) Power saws.

(16) Pumps.

(17) Riveters.

(17)a. Steam shovels.

(17)b. Surveying and leveling equipment.

(17)c. Tool carts.

(18) Tool racks.

(18)a. Trenching equipment.

(19) Vises.

(20) Work benches, etc.

Note: Compressors, hoists, concrete mixers, etc., so mounted on a vehicle that they can be removed readily, thereby becoming available for use independent of the vehicle, shall be included in this account and the vehicle shall be included in account 373, Transportation Equipment; compressors, hoists, etc., permanently attached to a vehicle so as to make it practically useless for transporting anything else, shall, together with the vehicle, be included in this account.

#### 378. Communication Equipment

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with the utility's steam operations and not specially provided for or includible in other departmental or functional plant accounts. (See also note to steam plant instruction 463.4, subd. (a) (3).)

#### ITEMS

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

This account shall include the cost of equipment, apparatus, etc., used in the utility's steam operations, and which is not includible in any other account of this system of accounts. (See also note to steam plant instruction § 463.4, subd. (a) (3).)

#### ITEMS.

- (1) Billiard tables, including equipment,
- (2) bowling alleys, including equipment,
- (3) hospital and infirmary equipment,
- (4) kitchen equipment,
- (5) miscellaneous recreation facilities and equipment,

- (6) radios,
- (7) restaurant equipment,
- (8) soda fountains,
- (9) operators' cottage furnishings,
- (10) other miscellaneous equipment.

Note: General equipment of the nature indicated above whenever practicable shall be assigned to the steam plant accounts on a functional basis. Thus, to illustrate, recreation equipment at production station for the benefit of the station employees shall be included in account 316, Miscellaneous Station Equipment.

#### 390. Other Tangible Property

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

B. A separate subdivision of this account shall be maintained for each class of property in which the utility has a relatively large investment, and records shall be kept so as to show separately the cost of each major item.

### EARNED SURPLUS ACCOUNTS

#### CREDITS

400. Credit Balance Transferred from Income Account

401. Miscellaneous Credits to Surplus

#### DEBITS

410. Debit Balance Transferred to Income Accounts

411. Dividend Appropriations--Preferred Stock

412. Dividend Appropriations--Common Stock

413. Miscellaneous Reservations of Surplus

414. Miscellaneous Debits to Surplus

#### CREDITS

400. Credit Balance Transferred from Income Account

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

401. Miscellaneous Credits to Surplus

A. This account shall include all credits affecting the earned surplus or deficit not provided for elsewhere. Among the items which shall be credited to this account are:

- (1) Credit for amounts previously written off through charges to earned surplus.
- (2) Delayed income, operating revenue, and operating expense credits as provided in general instruction section 461.6.
- (3) Profits on reacquirement of the utility's debt securities (See balance sheet instruction § 462.6.)

B. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the credits relate to prior years the amount applicable to each year shall be shown.

#### DEBITS

410. Debit Balance Transferred from Income Account

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

411. Dividend Appropriation--Preferred Stock

A. This account shall include amounts declared payable out of surplus of earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the utility, or the amounts credited to a reserve for dividends.

B. Dividends shall be segregated as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

C. This account shall be maintained or supported in such manner as to show separately the dividends on each class and series of preferred stock.

#### 412. Dividend Appropriation--Common Stock

A. This account shall include amounts declared payable out of surplus or earnings as dividends on actually outstanding common capital stock issued by the utility, or the amounts credited to a reserve for dividends.

B. Dividends shall be segregated as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

C. This account shall be maintained or supported in such manner as to show separately the dividends on each class and series of common stock.

#### 413. Miscellaneous Reservations of Surplus

A. This account shall include the reservations or appropriations of surplus for purposes not provided for elsewhere in this system of accounts.

B. The entries to this account shall show the nature of each reservation of surplus.

#### 414. Miscellaneous Debits to Surplus

A. This account shall include amounts chargeable to earned surplus not provided for elsewhere. Among the items which shall be charged hereto are:

(1) Amounts charged to earned surplus to cover past accrued depreciation and amortization not provided for.

(2) Decline in value of investments (see balance sheet instruction § 462.4).

(3) Delayed income, operating revenue, and operating expense debits as provided in general instruction section 461.6.

(4) Payments of amounts previously credited to earned surplus.

(5) Losses on reacquirement of utility's debt securities (see balance sheet instruction §462.6).

(6) Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided.

B. This account may include the income taxes applicable to amounts credited direct to earned surplus when such credits affect income taxes.

C. All items included in this account shall be sufficiently described in the entries relating thereto as to identify them with all accounts affected, and if the charges relate to prior years, the amount applicable to each year shall be shown.

### INCOME ACCOUNTS

#### UTILITY OPERATING INCOME

501. Operating Revenues

502. Operation and Maintenance

503. Depreciation

505. Amortization of Steam Plant Acquisition Adjustments

506. Property Losses Chargeable to Operations

507. Operating Taxes

508. Income from Steam Plant Leased to Others

509. Other Utility Operating Income

#### OTHER INCOME

521. Income from Non-utility Operations

522. Revenues from Lease of Other Physical Property

523. Dividend Revenues

524. Interest Revenues

525. Revenues from Sinking and Other Funds

526. Miscellaneous Non-operating Revenues

527. Non-operating Revenue Deductions

#### INCOME DEDUCTIONS

530. Interest on Long-term Debt

531. Amortization of Debt Discount and Expense

532. Amortization of Premium on Debt--Credit

533. Taxes Assumed on Interest

534. Interest on Debt to Associated Companies

535. Other Interest Charges

536. Interest Charged to Construction--Credit

537. Miscellaneous Amortization

538. Miscellaneous Income Deductions

539. Income Taxes

#### DISPOSITION OF NET INCOME

540. Miscellaneous Reservations of Net Income

#### SALES OF STEAM

601. General Sales

604. Sales to Public Authorities

605. Sales to Other Steam Utilities

607. Interdepartmental Sales

608. Other Sales

#### OTHER STEAM REVENUES

610. Rent from Steam Property

611. Interdepartmental Rents

612. Customers' Forfeited Discounts

614. Servicing of Customers' Installations

615. Miscellaneous Steam Revenues

#### UTILITY OPERATING INCOME

501. Operating Revenues

Under this caption shall be included the total operating revenues shown in the revenue accounts 601 to 615, derived by the utility from its steam utility operations during the period covered by the income account.

#### 502. Operation and Maintenance

Under this caption shall be included the total expenses shown in accounts 701 to 809, incurred by the utility in its steam operations during the period covered by the income account.

#### 503. Depreciation

A. This account shall include for the period covered by the income account the depreciation expense on steam plant carried in accounts 101, Steam Plant in Service, 106, Unclassified Steam Plant, and the portion applicable to steam operations, on common utility plant carried in accounts 109.1, Common Utility Plant in Service, and 109.6, Unclassified Common Utility Plant, except such depreciation expense as may be charged to clearing accounts or to construction work in progress.

B. The utility shall keep supporting records to show the amount of depreciation charges by primary plant accounts.

#### 505. Amortization of Steam Plant Acquisition Adjustments

A. This account shall be debited or credited, as the case may be, with amounts which the commission shall have determined are includible in operating revenue deductions for the purpose of providing for the extinguishment of the amount in account 105, Steam Plant Acquisition Adjustments, and account 109.5, Common Utility Plant Acquisition Adjustments.

B. Amounts recorded in this account shall be concurrently debited or credited, as the case may be, to account 252, Reserve for Amortization of Steam Plant Acquisition Adjustments, or account 253.2, Reserve for Depreciation and Amortization of Common Utility Plant.

#### 506. Property Losses Chargeable to Operations

This account shall be charged with amounts credited to account 141, Extraordinary Property Losses, when the commission has authorized the amount in the latter account to be amortized by charges to steam operations.

#### 507. Operating Taxes

A. This account shall include the amount of Federal, State, county, municipal and other taxes, including payroll taxes (but excluding taxes on net income, excess profits, undivided profits, excess dividends, or capital stock) which are properly chargeable to steam operations and except taxes includible in account 789, Merchandising, Jobbing and Contract Work, and in clearing accounts. (See account 228.)

B. This account shall be charged each month with the amount of taxes which are applicable thereto, and concurrent credits shall be made to account 228, Taxes Accrued, or account 132, Prepayments. When it is necessary to apportion taxes to steam operations, full details as to the method of and facts considered in the apportionment shall be recorded.

C. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and the estimate for the period charged to this account, and adjustments shall be made as the actual tax levies become known.

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

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

Note A: Gasoline and other sales taxes shall be charged, as far as practicable, to the account to which the material on which the tax is levied is charged.

Note B: Taxes assumed by the utility on interest shall be charged to account 533, Taxes Assumed on Interest.

Note C: Taxes on non-operating property the income from which is included in account 521, Income from Non-utility Operations, shall be charged to that account, and taxes on property the income from which is included in account 522, Revenues from Lease of Other Physical Property, shall be charged to account 527, Non-operating Revenue Deductions.

Note D: Taxes on property leased to others, the revenue from which is included in account 508, Income from Steam Plant Leased to Others, shall be charged to that account.

Note E: For taxes chargeable to merchandising, jobbing and contract work and to clearing accounts, see account 789 and accounts 902 to 906.

Note F: Amounts payable annually or more frequently under the terms of franchises, shall be included in account 805, Franchise Requirements.

Note G: Special assessments for initial street and similar improvements shall be included in the steam plant account in which is included the property with which the taxes are identified. Subsequent assessments for replacements shall be charged to taxes.

Note H: Taxes applicable to steam construction shall be charged to account 103, Construction Work in Progress.

Note I: Taxes on net income, excess profits, undivided profits, excess dividends, or capital stock shall be charged to account 539, Income Taxes.

#### 508. Income from Steam Plant Leased to Others

A. This account shall include the rental income from steam property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 102, Steam Plant Leased to Others.

B. This account shall be subdivided as follows: 508.1. Revenues from Steam Plant Leased to Others, 508.2. Expenses of Steam Plant Leased to Others.

C. This account shall be so kept or supported as to show separately the following for each lease: (1) Rentals; (2) expenses, (3) depreciation, (4) taxes, (5) uncollectible rents.

#### 509. Other Utility Operating Income

A. Under this caption shall be included the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 108, Other Utility Plant.

B. The expenses shall include every element of cost (except return on investment) incurred in such operations, including depreciation, rents, taxes, and insurance.

Note: In the case of utility services for which systems of accounts are prescribed by this commission, such as electric, gas, etc., the appropriate accounts in such systems shall be used instead of this account.

### OTHER INCOME

#### 521. Income from Non-utility Operations

A. This account shall include the revenues from and the expenses incurred in non-utility operations.

B. The expenses shall include every element of cost (except return on investment) incurred in such operations, including depreciation, rents, taxes, and insurance.

#### 522. Revenues from Lease of Other Physical Property

A. This account shall include all rent revenues from land, buildings or other property included in account 110, Other Physical Property.

B. All expenses, such as repairs, depreciation, taxes, uncollectible rents, etc., incurred in connection with the property leased, shall be charged to account 527, Non-operating Revenue Deductions.

#### 523. Dividend Revenues

This account shall include the revenues derived by the utility from dividends on stocks of other companies.

Note A: No amount representing dividends receivable shall be included in this account unless the dividends have been declared or guaranteed.

Note B: No dividends on reacquired securities issued or assumed by the utility shall be included in this account.

Note C: Dividend revenues from securities held in sinking or other special funds shall not be credited to this account but to account 525, Revenues from Sinking and Other Funds.

#### 524. Interest Revenues

Report by this caption the amounts included in accounts 524.1 and 524.2.

#### 524.1. Interest on Securities Owned

This account shall include interest revenues on investments in securities of other companies.

Note A: Interest accrued shall not be credited to this account unless its payment is reasonably assured.

Note B: Interest on reacquired securities issued or assumed by the utility shall not be credited to this account.

Note C: Interest on securities held in sinking or other special funds shall not be included in this account but in account 525, Revenues from Sinking and Other Funds.

Note D: This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of securities on which the interest is received. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See balance sheet instruction § 462.4.)

#### 524.2. Other Interest Revenues

This account shall include interest revenues on loans, notes, advances, special deposits, and all other interest bearing assets, except as provided in accounts 524.1 and 525.

Note: Interest accrued shall not be credited to this account unless its payment is reasonably assured.

#### 525. Revenues from Sinking and Other Funds

A. This account shall include all revenues (whether interest or dividends) accrued on cash, securities or other assets held in account 113, Sinking Funds, and account 114, Miscellaneous Special Funds.

B. This account may include for each month the applicable amount requisite to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the par value of debt securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. (See balance sheet instruction § 462.4.)

C. This account covers all revenues from sinking and other funds carried in accounts 113 and 114, whether or not such revenues are required to be retained in the funds. If the revenues are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to account 540, Miscellaneous Reservations of Net income, or account 413, Miscellaneous Reservations of Surplus, as appropriate.

#### 526. Miscellaneous Non-operating Revenues

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

### ITEMS

- (1) Fees collected with the exchange of coupon bonds for registered bonds.
- (2) Profits from operations of others realized by the utility under contracts.
- (3) Profits on reacquirement of the utility's debt securities (see balance sheet instruction § 462.6.)
- (4) Profits on sale of securities not issued or assumed by the accounting utility or on sale of other investments.
- (5) Profits from sale of non-operating property.

#### 527. Non-operating Revenue Deductions

A. This account shall include the expenses, taxes and uncollectible bills applicable to the period covered by the income account which are associated or incurred in connection with the revenues which are includible in accounts 522 to 526, inclusive.

B. This account shall be maintained or supported in such manner as to disclose the expenses or deductions applicable to each non-operating revenue account.

## INCOME DEDUCTIONS

### 530. Interest on Long-term Debt

A. This account shall include in each accounting period the amount of interest applicable thereto on actually outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 210, Bonds, account 211, Receivers' Certificates, or account 213, Miscellaneous Long-term Debt.

B. The amount charged to this account shall be credited concurrently to account 29.1, Interest Accrued on Long-term Debt.

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

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

### 531. Amortization of Debt Discount and Expense

A. This account shall include in each accounting period the portion of unamortized debt discount and expense on outstanding long-term debt which is applicable to such period.

B. The amount of unamortized debt discount and expense chargeable to each accounting period shall be determined in accordance with balance sheet instruction section 462.6.

C. Amounts charged to this account shall be credited concurrently to account 140, Unamortized Debt Discount and Expense.

### 532. Amortization of Premium on Debt--Credit

A. This account shall include in each accounting period the portion of unamortized premium on outstanding long-term debt which is applicable to such period.

B. The amount of unamortized premium on debt includible in each accounting period shall be determined in accordance with balance sheet instruction section 462.6.

C. Amounts credited to this account shall be charged concurrently to account 240, Unamortized Premium on Debt.

### 533. Taxes Assumed on Interest

This account shall include amounts paid to holders of the bonds or other indebtedness of the utility, or amounts paid to governmental agencies in their behalf in respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the utility.

### 534. Interest on Debt to Associated Companies

There shall be reported by this caption the amounts included in accounts 534.1 and 534.2.

#### 534.1. Interest on Advances from Associated Companies

A. This account shall include interest accrued on advances from associated companies and included in account 215, Advances from Associated Companies.

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

#### 534.2. Interest on Other Debt to Associated Companies

A. This account shall include interest accrued on amounts recorded in account 223.1, Notes Payable to Associated Companies, on amounts recorded in account 223.2, Accounts Payable to Associated Companies, and on any other obligation to associated companies, except long-term debt held by and advances from such companies, the interest on which shall be included in account 530 or 534.1, as appropriate.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest, the nature of the obligation on which accrued, and the account or accounts credited with the accrual.

#### 535. Other Interest Charges

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

B. A list of some of the items of indebtedness, the interest on which is chargeable to this account, follows: (1) Assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing one year or less from date, except notes payable to associated companies, (5) open accounts, except with associated companies (6) tax assessments.

#### 536. Interest Charged to Construction--Credit

This account shall include concurrent credits for interest charged to construction in accordance with steam plant instruction § 463.4, subdivision (a), paragraph (18).

#### 537. Miscellaneous Amortization

This account shall include amortization expenses not elsewhere provided for in this system of accounts, including amortization of amounts in account 105, Steam Plant Acquisition Adjustments, and 109.5, Common Utility Plant Acquisition Adjustments, which are not chargeable to account 505, Amortization of Steam Plant Acquisition Adjustments.

#### 538. Miscellaneous Income Deductions

This account shall include miscellaneous debits to income, not provided for elsewhere.

### ITEMS

- (1) Decline in value of investments (see balance sheet instruction § 462.4).
- (2) Donations.
- (3) Expenditures for associated companies for which the utility will not be reimbursed.
- (4) Penalties or fines for violation of law.
- (5) Losses on reacquirement of utility's debt securities (see balance sheet instruction § 462.6.)
- (6) Losses on sale of non-operating property.

#### 539. Income Taxes

This account shall include taxes on net income, excess profits, undivided profits, excess dividends, and capital stock.

Note: When credits are made direct to surplus of items which affect the income taxes, the portion of the taxes applicable to those items may be charged to surplus.

### DISPOSITION OF NET INCOME

#### 540. Miscellaneous Reservations of Net income

A. This account shall include reservations of net income, such as may be required under the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements, and other reservations of net income.

B. Amounts charged to this account shall be credited concurrently to the appropriate reserve account.

C. The entries in this account shall show the nature of each reservation of income.

### SALES OF STEAM

#### 601. General Sales

A. This account shall include revenues from steam supplied for general use.

#### 604. Sales to Public Authorities

This account shall include the revenues from steam supplied to municipalities or divisions or agencies of Federal or State governments, under special contracts or agreements or service classifications applicable only to public authorities except such revenues as are includible in account 605.

#### 605. Sales to Other Steam Utilities

A. This account shall include revenues from steam supplied to other steam utilities or to public authorities for distribution to others.

B. Revenues from steam supplied to other public utilities for use by them and not for distribution, shall be included in account 601, General Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

Note: The records supporting the entries to this account shall show separately for each contract the point of delivery, the maximum demand, the quantity supplied, the basis for the charge, and the total charge to the distributor. When steam is delivered to a utility at more than one point, like detail shall be furnished for each point of delivery.

#### 607. Interdepartmental Sales

This account shall include the total amounts charged to other departments of the utility by the steam department for steam supplied by the latter, if the charges are at tariff or other specified rates for the steam supplied. (See operating revenue instruction § 466.5 and account 611, Interdepartmental Rents.)

#### 608. Other Sales

This account shall include revenues derived from steam supplied users and which are not properly includible in revenue accounts 601 to 607, inclusive.

### OTHER STEAM REVENUES

#### 610. Rent from Steam Property

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to steam operations by the utility. This covers such matters as rent from buildings, stations, land, appliances, etc.

B. When any utility employs some of its steam plant for the benefit of another or others under a definite arrangement for apportioning the actual expenses among the several participants in the arrangement, and such arrangement provides for the receipt by the accounting utility of any profit or return upon its property, such profit or return, together with the amount of depreciation and taxes charged to another or others pursuant to the arrangement, shall be credited to this account. (See operation and maintenance instruction § 467.6.)

Note: Do not include in this account rents from property included in account 102, steam plant leased to others. (See account 508, income from steam plant leased to others, and income instruction § 465.4.)

#### 611. Interdepartmental Rents

This account shall include the rents creditable to the steam department on account of rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate the costs, by accounts, among the departments using the property, the reimbursement to the steam department for operating and maintenance expenses shall be credited to the appropriate joint expense credit account or accounts, but the reimbursement for interest or return and depreciation and taxes shall be credited to this account. (See operation and maintenance instruction § 467.6.)

Note: Charges for steam supplied other departments at tariff or other specified rates shall not be included in this account but in account 607, interdepartmental sales. (See operating revenue instruction § 466.5.)

#### 612. Customers' Forfeited Discounts

This account shall include the amounts which the utility allows its customers on condition that they pay their steam bills on or before a specified date and which are forfeited by the customers because of failure to pay within the specified time.

#### 614. Servicing of Customers' Installations

This account shall include revenues accruing to the utility from charges to customers on account of the maintenance of appliances, piping, or other installations on customers' side of meters.

#### 615. Miscellaneous Steam Revenues

This account shall include revenues derived from steam operations not includible in any of the foregoing accounts. This covers such items as fees and charges for changing, connecting and disconnecting service, profit on the sale of materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' steam (sold under rates filed by such others), management or supervision fees, sale of water (except when the utility furnishes water service), and rentals from property included in account 361, Accessory Equipment on Customers' Premises.

### OPERATION AND MAINTENANCE ACCOUNTS

#### PRODUCTION EXPENSESOPERATION

B A 701. Operation Supervision and Engineering

B 702. Station Labor

A 702.1 Boiler Labor

A 702.2 Accessory Power Equipment Labor

A 702.3 Miscellaneous Station Labor

B A 703. Fuel

B A 704. Water

B 705. Supplies and Expenses

A 705.1 Lubricants

A 705.2 Station Supplies

A 705.3 Station Expenses

#### MAINTENANCE

B A 706. Maintenance Supervision and Engineering

B A 707. Maintenance of Structures and Improvements

B 708. Maintenance of Boiler Plant Equipment

A 708.1 Maintenance of Coal Storage, Handling and Weighing Equipment

A 708.2 Maintenance of Furnaces and Boilers

A 708.3 Maintenance of Boiler Apparatus

A 708.4 Maintenance of Steam Piping and Accessories

B 709. Maintenance of Other Station Equipment

A 709.1 Maintenance of Accessory Power Equipment

A 709.2 Maintenance of Miscellaneous Station Equipment

#### MISCELLANEOUSB A 710. Rents

B A 711. Steam from Other Sources

B A 712. Steam Transferred--Credit

B A 713. Joint Expenses--Debit

B A 714. Joint Expenses--Credit

#### DISTRIBUTION EXPENSESOPERATION

B A 756. Operation Supervision and Engineering

B 758. Distribution Office Expenses

A 758.1 Distribution Maps and Records

A 758.2 Other Distribution Office Expenses

B A 761. Operation of Distribution Lines

B 762. Services on Customers' Premises

A 762.1 Removing and Resetting Meters and Accessory Equipment

A 762.2 Other Services on Customers' Premises

#### MAINTENANCE

B A 764. Maintenance Supervision and Engineering

B A 765. Maintenance of Structures and Improvements

B 769. Maintenance of Distribution Lines

A 769.1 Maintenance of Mains

A 769.2 Maintenance of Services

B A 772. Maintenance of Meters and Accessory Equipment

#### MISCELLANEOUS

B A 776. Rents

B A 777. Joint Expenses--Debit

B A 778. Joint Expenses--Credit

#### CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

B A 779. Supervision

B 780. Customers' Contracts, Orders, Meter Reading and Collecting

A 780.1 Customers' Contracts and Orders

A 780.2 Credit investigations and Records

A 780.3 Meter Reading

A 780.4 Collecting

B A 781. Customers' Billing and Accounting

B A 782. Miscellaneous Expenses

B A 783. Uncollectible Accounts

B A 784. Rents

#### SALES PROMOTION EXPENSES

B A 785. Supervision

B A 786. Salaries and Commissions

B 787. Demonstration, Advertising and Other Sales Expenses

A 787.1 Demonstration

A 787.2 Advertising

A 787.3 Miscellaneous Sales Expenses

B A 788. Rents

B A 789. Merchandising, Jobbing and Contract Work

#### ADMINISTRATIVE AND GENERAL EXPENSES

B A 790. Salaries of General Officers and Executives

B A 791. Other General Office Salaries

B 792. Expenses of General Offices and General Office Employees

A 792.1 Expenses of General Officers

A 792.2 Expenses of General Office Employees

B A 793. General Office Supplies and Expenses

B A 794. Management and Supervision Fees and Expenses

B A 795. Special Services

B A 796. Legal Services

- B A 797. Regulatory Commission Expenses
- B A 798. Insurance
- B A 799. Injuries and Damages
- B 800. Employees' Welfare Expenses and Pensions
  - A 800.1 Employees' Welfare Expenses
  - A 800.2 Pensions
  - A 800.3 Welfare and Pension Administration
- B A 801.1 Corporate and Fiscal Expenses
- B A 801.2 Miscellaneous General Expenses
- B 802. Maintenance of General Property
  - A 802.1 Maintenance of Structures and Improvements
  - A 802.2 Maintenance of Office Furniture and Equipment
  - A 802.3 Maintenance of Communication Equipment
  - A 802.4 Maintenance of Miscellaneous Equipment
- B A 803. General Rents
- B A 804. Commissions Paid Under Agency Sales Contracts
- B A 805. Franchise Requirements
- B A 806. Duplicate Miscellaneous Charges--Credit
- B A 807. Administrative and General Expenses Transferred--Credit
- B A 808. Joint Expenses--Debit
- B A 809. Joint Expenses--Credit

#### PRODUCTION EXPENSES OPERATION

- B A 701. Operation Supervision and Engineering

This account shall include the cost of supervising and directing the operation of steam production stations. (See operation and maintenance instruction § 467.4.)

Note: The cost of fuel analysis shall be charged to account 131, Materials and Supplies.

- B 702. Station Labor
  - A 702.1. Boiler Labor

This account shall include the pay of employees in boiler rooms and elsewhere about the premises engaged in making steam.

#### ITEMS

- (1) Boiler house engineer and assistants.
- (2) Feed-pump men.
- (3) Firemen.
- (4) Furnace operators.
- (5) Helpers.
- (6) Janitors.
- (7) Stoker attendants.
- (8) Stokers.
- (9) Watchmen.
- (10) Water tenders.

- (11) Weighers.
- (12) Labor employed in:
  - (a) Blowing flues.
  - (b) Cleaning boilers.
  - (c) Handling coal and ashes (within the boiler plant).
  - (d) Pulverizing coal.
  - (e) Testing steam meters (station) and gauges and other instruments.

A 702.2. Accessory Power Equipment Labor

This account shall include the pay of employees engaged in operating accessory power equipment which is devoted to the production of power for the supply of auxiliaries and general station use.

ITEMS

- (1) Dynamomen.
- (2) Electricians.
- (3) Engineers and assistants.
- (4) Foremen and assistants.
- (5) Oilers and wipers.
- (6) Switchboard operators and assistants.

A 702.3 Miscellaneous Station Labor

This account shall include the pay of employees engaged in operating steam production stations, when such pay is not chargeable to the foregoing steam plant labor accounts.

ITEMS

- (1) Elevator men.
- (2) Janitors.
- (3) Messengers.
- (4) Watchmen.
- (5) Yard and building cleaners.

B A 703. Fuel

A. This account shall include the cost delivered at stations, including cost of transferring from one station to another (see account 131, Materials and Supplies), of coal, oil, gas, or other fuel used in the production of steam. It shall also include the net cost of, or amount realized from, the disposal of ashes.

B. Records shall be maintained to show the quantity, B.t.u. content, if available, and cost of each type of fuel used.

B A 704. Water

This account shall include the cost of water for boilers and condensers, etc. If water is purchased, the charge shall be at the contract price or the meter rate; if pumped by the utility, the cost of pumping shall be charged to this account.

ITEMS

- (1) Employees:
  - (a) Filter cleaners.

- (b) General labor.
- (c) Pumping station operators.
- (d) Screen operators.
- (e) Water supply system operators.
- (2) Supplies:
  - (a) Boiler compounds.
  - (b) Chemicals.
  - (c) Lubricants.
  - (d) Pumping supplies.
  - (e) Supplies (miscellaneous).
  - (f) Water purchased.

#### B 705. Supplies and Expenses

##### A 705.1. Lubricants

This account shall include the cost of lubricants for machinery in steam production stations, including the cost of recovering oil from waste and the cost of handling and filtering.

Note A: Lubricants used in pumping water shall be charged to account 704, Water.

Note B: Do not include in this account oil or grease for automobiles, trucks and wagons, or oil for lamps or for similar purposes.

##### A 705.2. Station Supplies

This account shall include the cost of all miscellaneous supplies, tools, etc., used in steam production stations.

#### ITEMS

- (1) Dynamo brushes.
- (2) Fireroom tools.
- (3) Gauge glasses.
- (4) Hand hole gaskets.
- (5) Manhole gaskets.
- (6) Packing.
- (7) Steam and air hose.
- (8) Tools (hand).
- (9) Washers.
- (10) Waste.
- (11) Wipers.

##### A 705.3. Station Expenses

This account shall include miscellaneous expenses, which are not specifically provided for in other operating expense accounts, incurred in the operation of steam production stations.

#### ITEMS

- (1) Boiler inspection fees.

- (2) Building service (not including rent).
- (3) Communication service.
- (4) Log sheets and charts.
- (5) Meter supplies.
- (6) Stationery and office supplies.
- (7) Transportation.
- (8) Water for fire protection or for general use.
- (9) Employees' service facilities expense.

## MAINTENANCE

### B A 706. Maintenance Supervision and Engineering

This account shall include the cost of supervising and directing the maintenance of steam production stations. (See operation and maintenance instruction § 467.4.)

### B A 707. Maintenance of Structures and Improvements

This account shall include the cost of maintenance of buildings, structures, fixtures, and improvements at steam production stations, the book cost of which is included in account 311, Structures and Improvements.

### B 708. Maintenance of Boiler Plant Equipment

#### A 708.1. Maintenance of Coal Storage, Handling and Weighing Equipment

This account shall include the cost of maintenance of coal storage, handling, ash disposal, and pulverizing equipment at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment.

#### A 708.2. Maintenance of Furnaces and Boilers

This account shall include the cost of maintenance of furnaces and boilers at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment.

#### A 708.3. Maintenance of Boiler Apparatus

This account shall include the cost of maintenance of auxiliary apparatus in boiler rooms at steam production stations, the book cost of which is included in account 312, Boiler Plant Equipment, such as air preheaters, draft apparatus, combustion control apparatus, foundations, food water apparatus, pumps, and water purification systems.

#### A 708.4. Maintenance of Steam Piping and Accessories

This account shall include the cost of maintenance of steam production station piping systems and accessories used in connection with the making of steam, the book cost of which is included in account 312, Boiler Plant Equipment.

### B 709. Maintenance of Other Station Equipment

#### A 709.1. Maintenance of Accessory Power Equipment

This account shall include the cost of maintenance of accessory power equipment in steam production stations, the book cost of which is included in account 315, Accessory Power Equipment.

#### A 709.2. Maintenance of Miscellaneous Station Equipment

This account shall include the cost of maintenance of miscellaneous station equipment, the book cost of which is included in account 316, Miscellaneous Station Equipment.

## MISCELLANEOUS

### B A 710. Rents

This account shall include all rents of property of others used, occupied, or operated in connection with steam power generation; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instruction §§ 467.5 and 467.6.)

Note: Rents payable to customers for use of their steam equipment shall be included in a separate subdivision of this account. The utility shall keep supporting records to show for each such lease, a description of the property covered, the annual rental, and the dates when such lease became effective and the dates of actual operation by the utility.

#### B A 711. Steam from Other Sources

This account shall include the cost at the point of delivery to the utility of steam purchased for resale, including charges for readiness to serve and also charges for steam transferred to the steam department from another operating department of the company.

Note: The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another operating department, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charges to the steam department, and the extent and manner of use by each department involved.

#### B A 712. Steam Transferred--Credit

This account shall include such portion of the cost of operating and maintaining joint facilities operated by the utility in connection with the production of steam as is charged to others or to a coordinate department. (See operation and maintenance instruction § 467.6.)

#### B A 713. Joint Expenses--Debits

A. This account shall include amounts for the cost of operation and maintenance payable by the steam department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with steam production. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following: (1) Charges from others, (2) charges from coordinate departments.

Note: Charges for steam produced in joint facilities shall not be included in this account but in account 711, Steam from Other Sources.

#### B A 714. Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the steam department in connection with steam production as is charged to others or to a coordinate department. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following: (1) Charges to others, (2) charges to coordinate departments.

Note: Credits for steam transferred, produced in joint facilities, shall not be included in this account but in account 712, Steam Transferred--Credit.

## DISTRIBUTION EXPENSES

### OPERATION

#### B A 756. Operation Supervision and Engineering

This account shall include the cost of supervising and directing the operation of the distribution system. (See operation and maintenance instruction § 467.4.)

#### B 758. Distribution Office Expenses

##### A 758.1. Distribution Maps and Records

This account shall include salaries and expenses for the preparation of distribution maps and records, including the cost of stationery, drafting materials, etc.

A 758.2 Other Distribution Office Expenses

This account shall include such distribution office expenses as heat, ice water, office supplies, stationery and printing, telephone tolls and rentals, janitor service, etc.

B A 761. Operation of Distribution Lines

This account shall include the cost of labor and material used and expenses incurred in the operation of distribution lines, including mains and regulating and measuring equipment, and services. (1) Cleaning manholes, (2) fuel, (3) lubricants and waste, (4) meter and gauge supplies, (5) moisture tests, (6) operating pumps in manholes, (7) replacing pressure charts, (8) tools, hand.

B 762. Services on Customers' Premises

A 762.1. Removing and Resetting Meters and Accessory Equipment

This account shall include the cost of labor and materials used and expenses incurred in inspecting, testing, removing and resetting or changing the location of meters and accessory equipment located on customers' premises.

This account shall include the cost of all disconnecting and reconnecting of meters, except when occasioned by the failure to pay, in which case the cost is chargeable to account 780.4, Collecting.

Note A: All installation costs of meters and of accessory equipment may be charged to this account.

A 762.2. Other Services on Customers' Premises

A. This account shall include the cost of labor and material used and expenses incurred in work on customers' premises other than amounts included in account 762.1, Removing and Resetting Meters and Accessory Equipment.

## ITEMS

- (1) Changing location of appliances.
- (2) Improving character of service.
- (3) Inspecting premises.
- (4) Investigating and adjusting customers' service complaints.
- (5) Testing customers' equipment.

Note A: Fees and charges to customers for such services shall be credited to account 614, Servicing of Customers' Installations.

Note B: This account shall not include costs incurred in connection with merchandising, jobbing and contract work.

## MAINTENANCE

B A 764. Maintenance Supervision and Engineering

This account shall include the cost of supervising and directing the maintenance of the distribution system. (See operation and maintenance instruction § 467.4.)

B A 765. Maintenance of Structures and Improvements

This account shall include the cost of maintenance of distribution structures and improvements, the book cost of which is included in account 351, Structures and Improvements.

B 769. Maintenance of Distribution Lines

A 769.1. Maintenance of Mains

This account shall include the cost of maintenance of mains, etc., the book cost of which is included in account 353, Mains.

A 769.2. Maintenance of Services

A. This account shall include the cost of maintenance of services, the book cost of which is included in account 359, Services.

B A 772. Maintenance of Meters and Accessory Equipment

This account shall include the cost of maintenance of meters and accessory equipment, the book cost of which is carried in account 360, Meters, and account 361, Accessory Equipment on Customers' Premises.

Note: The initial testing of meters shall be charged to account 360, Meters.

MISCELLANEOUS

B A 776. Rents

This account shall include all rents for property of others used, occupied, or operated in connection with the distribution system; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instructions §§ 467.5 and 467.6.)

B A 777. Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the steam department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the distribution of steam. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following: (1) Charges from others, (2) charges from coordinate departments.

B A 778. Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the steam department in connection with the distribution of steam as is charged to others or to a coordinate department. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following: (1) Charges to others, (2) charges to coordinate departments.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

B A 779. Supervision

This account shall include the cost of supervising and directing work on customers' contracts, orders, inquiries and accounts, and in meter reading and collecting. (See operation and maintenance instruction § 467.4.)

B 780. Customers' Contracts, Orders, Meter Reading and Collecting

A 780.1. Customers' contracts and orders

This account shall include the pay and expenses of employees engaged in work on customers' applications, contracts, orders, complaints and inquiries, and supplies used and expenses incurred in connection therewith.

ITEMS

- (1) Books.
- (2) Building service (not including rent).
- (3) Office supplies.
- (4) Postage.
- (5) Salaries and wages.
- (6) Stationery.
- (7) Transportation.

#### A 780.2. Credit investigations and Records

This account shall include the pay and expenses of employees engaged in investigations of customers' credit and the keeping of records pertaining thereto, including supplies used and expenses incurred in connection therewith.

#### ITEMS

- (1) Books.
- (2) Building service (not including rent).
- (3) Office supplies.
- (4) Postage.
- (5) Salaries and wages.
- (6) Stationery.
- (7) Transportation.

Note: The keeping of this account is optional. If not used, charges provided for herein shall be included in account 780.1, Customers' Contracts and Orders.

#### A 780.3 Meter Reading

This account shall include the pay and expenses of employees engaged in reading customers' meters, and supplies used and expenses incurred in connection therewith.

#### ITEMS

- (1) Badges.
- (2) Building service (not including rent).
- (3) Forms for recording readings.
- (4) Lamps.
- (5) Meter charts.
- (6) Meter readers, chart collectors and chart readers, pay of.
- (7) Transportation.
- (8) Uniforms.

#### A 780.4. Collecting

This account shall include the pay and expenses of employees engaged in collecting customers' bills, and supplies used and expenses incurred in connection therewith; also corresponding payments to attorneys, collection agencies or others, not employees of the utility, who are engaged in making such collections.

#### ITEMS

- (1) Building service (not including rent).
- (1a) Cashiers, pay and expenses of.
- (2) Commissions, fees, or salaries of collectors.
- (3) Disconnection for non-payment of bills.
- (4) Office supplies.
- (5) Postage.
- (6) Stationery and printing.

(7) Transportation.

B A 781. Customers' Billing and Accounting

This account shall include the pay and expenses of employees engaged in customers' billing and accounting work, and supplies used and expenses incurred in connection therewith.

ITEMS

- (1) Accounts, customers', keeping of.
- (2) Address plates.
- (3) Billing.
- (4) Bookkeeping.
- (5) Books.
- (6) Building service (not including rent).
- (7) Delivery of bills.
- (8) Office supplies.
- (9) Postage.
- (10) Stationery and printing.
- (11) Statistical work on customers' accounts.
- (12) Tabulating sales.
- (13) Transportation.

B A 782. Miscellaneous Expenses

This account shall include the labor, materials and expenses, which are not chargeable to the foregoing accounts, and which were used or incurred in customers' accounting and collecting.

B A 783. Uncollectible Accounts

This account shall be charged each month with amounts sufficient to provide for losses from uncollectible steam revenues. Concurrent credits shall be made to account 254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve. (See also account 789.2.)

B A 784. Rents

This account shall include rents of property of others used in connection with customers' accounting and collecting. (See operation and maintenance instruction § 467.5.)

SALES PROMOTION EXPENSES

B A 785. Supervision

This account shall include the cost of supervising and directing the sales department and the solicitation of new business, including assistants, stenographers, and clerical help on records. (See operation and maintenance instruction § 467.4.)

B A 786. Salaries and Commissions

This account shall include the salaries and commissions paid salesmen for canvassing and soliciting new business, including the cost of preparing estimates for industrial and other customers.

B 787. Demonstration, Advertising and Other Sales Expenses

A 787.1. Demonstration

This account shall include the cost of labor and materials used and expenses incurred in demonstrating the use of appliances or other equipment.

#### ITEMS

(1) Employees: (a) Demonstrators, (b) instructors, (c) typists and clerks.

(2) Expenses: (a) Building service (not including rent), (b) communication service, (c) demonstration supplies, (d) steam service, (e) transportation.

#### A 787.2. Advertising

This account shall include the cost of labor and materials used and expenses incurred in connection with advertising for the purpose of promoting the sales of steam.

#### ITEMS

(1) Advertising in newspapers, periodicals, etc.

(2) Advertising manager and assistants.

(3) Clerks.

(4) Materials and expenses in preparing: (a) Advertisements, (b) booklets, (c) bulletins, (d) dodgers, (e) posters.

(5) Stenographers and typists.

#### A 787.3. Miscellaneous Sales Expenses

This account shall include the cost of labor and materials used and expenses incurred in soliciting new business, except amounts chargeable to the foregoing accounts.

#### B A 788. Rents

This account shall include rents properly includible in operating expenses for property of others used by the sales promotion organization. (See operation and maintenance instruction § 467.5.)

#### B A 789. Merchandising, Jobbing and Contract Work

A. This account shall include expenses of merchandising, jobbing and contract work; also all revenues derived from the sale of steam merchandise, and jobbing or contract work, including any profit or commissions accruing to the utility from jobbing work performed by it as agent under agency contracts, whereby it undertakes to do jobbing work for another for a stipulated profit or commission.

B. This account shall be subdivided as follows:

789.1. Revenues from merchandising, jobbing and contract work.

789.2. Cost of merchandising, jobbing and contract work.

Account 789.2 shall be subdivided so as to show the major items of costs and expenses.

#### ITEMS OF EXPENSE

(2) Cost of merchandise sold, and of materials used for jobbing work including transportation, storage, handling.

(4) Direct taxes.

(5) Discounts and allowances made in settlement of bills for merchandise and jobbing work.

(7) Insurance on merchandise.

(8) Inventory adjustments, merchandise.

(10) Losses from uncollectible merchandise accounts.

(13) Pay and expenses of all employees engaged in selling, delivery, installation, etc.

(14) Reconditioning repossessed appliances.

#### ADMINISTRATIVE AND GENERAL EXPENSES

##### B A 790. Salaries of General Officers and Executives

A. This account shall include the compensation (salaries, bonuses and other consideration for services) of officers and executives of the utility, properly chargeable to steam operations and not chargeable directly to a particular steam function.

B. This account shall be kept so that there will be available subdivisions thereof in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

Note: This account shall not include directors' fees paid to officers and executives.

##### B A 791. Other General Office Salaries

A. This account shall include the compensation of employees engaged in the general or divisional offices properly chargeable to steam operations and not chargeable directly to a particular steam function.

B. This account shall be kept so that there will be available subdivisions thereof in accordance with the utility's administrative organization, such as executive, accounting, treasury, legal, etc.

##### A 792.1. Expenses of General Officers

A. This account shall include the expenses incurred for the benefit of the utility in its steam operations by officers and executives whose salaries are included in account 790 and which are not chargeable directly to a particular steam function.

B. This account shall be kept so that there will be available subdivisions thereof in accordance with the utility's administrative organization such as executive, accounting, treasury, legal, etc.

#### ITEMS

- (1) Hotels.
- (2) Meals, including payment therefor on account of overtime work.
- (3) Membership fees and dues in trade, technical and professional associations.
- (4) Traveling expenses.

##### A 792.2. Expenses of General Office Employees

A. This account shall include the expenses incurred for the benefit of the utility in its steam operations by employees whose salaries are included in account 791 and which are not chargeable directly to a particular steam function.

B. This account shall be kept so that there will be available subdivisions thereof in accordance with the utility's administrative organization such as executive, accounting, treasury, legal, etc.

#### ITEMS

- (1) Hotel.
- (2) Meals, including payment therefor on account of overtime work.
- (3) Membership fees and dues in trade, technical and professional associations.
- (4) Traveling expenses.

##### B A 793. General Office Supplies and Expenses

A. This account shall include the cost of office supplies and office expenses in connection with the general administrative functions of the utility's steam operations.

B. This account shall be kept so that there will be available subdivisions thereof in accordance with the utility's administrative organization such as executive, accounting, treasury, legal, etc.

## ITEMS

- (1) Automobile service, including charges through clearing account 903, transportation expenses--clearing.
- (2) Books and periodicals for office use.
- (3) Building service (not including rent).
- (4) Communication service.
- (5) Office supplies.
- (6) Postage.
- (7) Printing.
- (8) Stationery.

Note: Office expenses which are clearly applicable to any group of operating expenses other than administrative and general shall not be included in this account.

### B A 794. Management and Supervision Fees and Expenses

A. This account shall include amounts payable by the steam department to any corporation, firm, or individual, for general supervision and management services and expenses. (See general instruction, § 461.8.)

B. Records supporting this account shall be so kept as to show (1) the basis of each fee, (2) the amount of the fee, (3) the person to whom the fee is paid or payable, and (4) credits.

### B A 795. Special Services

This account shall include amounts payable to any corporation, firm or individual, other than officers and employees of the utility, for special services to the steam department if the amounts are not includible in account 794, Management and Supervision Fees and Expenses, or account 796, Legal Services, or are not chargeable directly to other steam operating expense accounts or clearing or plant accounts. (See general instruction § 461.8.)

## ITEMS

- (1) Services: (a) Auditing and accounting, (b) budget, (c) personnel, (d) publication, (e) rates, (f) secretarial, (g) statistical, (h) supervisory.
- (2) Expenses: (a) Hotel, (b) meals, (c) printing, (d) stationery, (e) traveling.

### B A 796. Legal Services

This account shall include amounts payable to any corporation, firm, or individual, other than officers and employees of the utility, for legal services and related expenses of the steam department which are not chargeable directly to other steam operating expense accounts or to clearing or plant accounts.

Note A: Legal services in connection with formal cases before regulatory commissions, or in cases in which such a commission is a party, or when specifically applicable to injury or damage cases shall be charged to account 797, Regulatory Commission Expenses, account 799, Injuries and Damages, or Other Appropriate Account.

Note B: Legal services incident to the construction of steam property shall be charged to the appropriate utility plant accounts. (For legal services in connection with property purchased, see steam plant instruction § 463.3, subd. (a).) Legal services incident to the acquisition of franchises, consents or certificates, or to the issuance of long-term debt or capital stock shall be charged to account 140, Unamortized Debt Discount and Expense, account 240, Unamortized Premium on Debt, or account 151, Capital Stock Expense, as appropriate.

### B A 797. Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in steam operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regu-

latory commission for fees assessed against the accounting utility for pay and expenses of such commission, its officers, agents and employees.

B. Amounts of regulatory commission expenses which are spread over future periods shall be charged to account 146, Other Deferred Debits, and amortized by charges to this account. (See general instruction § 461.14.)

C. The utility shall be prepared to report the cost of each formal case.

D. The cost of work which may be partly chargeable to this account and partly to the other accounts enumerated in notes A and B of account 796 shall be equitably apportioned, and the basis of allocation to the several accounts shall be submitted to the commission.

## ITEMS

(1) Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against, petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

(2) Expenses: Engineering supplies, office expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

Note A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

Note B: Do not include in this account costs incident to the acquisition of franchises, consents or certificates, or to the construction or acquisition of steam property, which are chargeable to the steam plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in steam plant instruction section 463.3. Costs incurred incident to the issuance of long-term debt or capital stock shall be charged to account 140, Unamortized Debt Discount and Expense, account 240, Unamortized Premium on Debt, or account 151, Capital Stock Expense, as applicable. (See also account 142.)

Note C: Do not include in this account expenses in connection with investigations by legislative bodies or cases to which the utility is not a party.

Note D: The cost of maintaining continuing property records of steam plant shall not be included herein but in other operation and maintenance accounts appropriate for the class of expenditure.

### B A 798. Insurance

This account shall include the cost of insurance to protect the utility against losses and damages to owned or leased property used in its steam operations, except as provided in note C hereunder. There shall be included in this account the premiums payable to insurance companies or amounts credited to account 255, Insurance Reserve, for Fire, Storm, Burglary, Boiler Explosion, Lightning, and other Insurance; and special costs incurred in procuring insurance, such as insurance inspection services, and the pay, traveling, and office expenses of officers, clerks, and other employees of an insurance department.

Note A: Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to account 250, Reserve for Depreciation of Steam Plant, or other appropriate reserve account.

Note B: The utility shall so keep its records as to show the amount of coverage for each class of insurance carried, the property covered, the applicable premiums, and the distribution of the costs to specific operations or functions.

Note C: The cost of insurance to protect the utility against losses and damages to the following classes of owned or leased property used in steam operations shall be charged as indicated:

(1) Laboratory equipment and supplies, to account 904, Laboratory Expenses--Clearing.

(2) Materials and supplies and stores equipment, to account 902, Stores Expenses--Clearing.

(3) Transportation and garage equipment and supplies, to account 903, Transportation Expenses--Clearing.

(4) Shop equipment and supplies, to account 905, Shop Expenses-Clearing.

(5) Tools and work equipment, to account 906, Tools and Work Equipment Expenses-Clearing.

(6) Buildings and building equipment to account 907, Building Service-Clearing, if used.

Note D: Exclude from this account insurance on officers and employees. (See account 800.1.)

#### B A 799. Injuries and Damages

A. This account shall include losses not covered by insurance on account of injuries or deaths to employees or others, which occur in connection with steam operations, and payments and expenses on account of damages to the property of others or for non-performance of contractual obligations, whether the loss be occasioned by fire, flood, storm, or other cause. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to account 256, Injuries and Damages Reserve, in which case losses sustained shall be charged to the reserve.

B. This account shall also include:

1. Pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others, damages to property of others, etc.

2. Payments to attorneys, investigators and adjusters, court costs, etc.

3. Insurance premiums for protection against claims from injuries and damages, including public liability, property damages, boiler, casualty, employees' liability, etc., except as provided in note C hereunder.

C. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages, and insurance dividends or refunds, shall be credited to this account.

Note A: Payments to or in behalf of employees, including accident and death benefits, salaries, hospital expenses, medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., or amounts reserved for such payments, when provided for through a plan for employees' benefits, shall be charged to account 800, Employees' Welfare Expenses and Pensions.

Note B: No part of the salaries of officers or employees of the law department shall be included in this account for merely incidental services in connection with injury and damage claims.

Note C: Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to account 903, Transportation Expenses--Clearing.

Note D: Exclude from this account insurance on officers and employees and the cost of injuries and damages chargeable directly to steam plant accounts, clearing accounts or to other appropriate accounts.

#### B 800. Employees' Welfare Expenses and Pensions

##### A 800.1. Employees' Welfare Expenses

A. This account shall include the expenses incurred in conducting employees' accident prevention, educational and recreational activities, the cost of employees' relief and benefits (other than pensions, and injuries and damages chargeable to account 799, Injuries and Damages) and the cost of life insurance for employees when the utility is not the beneficiary.

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the employees in cash or its equivalent subject to their free disposition. To the extent that the securities thus purchased have an actual market value, the amounts paid for them may be carried meanwhile in account 114.3, Miscellaneous Special Funds; otherwise such amounts shall be charged to account 538, Miscellaneous Income Deductions. (See general instruction § 461.6.)

Note A: When the utility is the beneficiary of insurance on officers or employees, the cash surrender value shall be included in account 133, other current and accrued assets, and the excess of cost of the insurance over such cash surrender value shall be charged to account 538, Miscellaneous Income Deductions.

Note B: See note to account 800.2.

Note C: Credit to this account the portion of welfare expenses which is applicable to non-utility operations or which is charged to construction and retirement work orders, and to clearing or other accounts unless such amounts are distributed directly to the accounts concerned in the first instance.

#### A 800.2 Pensions

A. This account shall include pensions payable currently to retired employees or their beneficiaries. (See general instruction § 461.11.)

B. This account shall include the cost of advance provision for pensions to be paid to retired employees or their beneficiaries. Such cost represents amounts payable to a trust fund or to an insurance company where the following conditions are met:

1. Pension plan is definite and formally adopted.
2. Amounts paid are irrevocably dedicated to pension purposes.
3. A program of advance provision based on actuarial studies or on other recognized and acceptable systematic method of computation or allocation is undertaken.

C. This account shall include any payments under the pension plan, in addition to the current accruals specified in paragraph B, such as payments computed in relation to a prior service period, but such amounts may, with the approval of the commission, be spread over a period of years, if their inclusion when paid would seriously distort the expenses of that year.

D. Incidental benefits payable on withdrawal or death under a definite and formally adopted pension plan may be considered as pensions within the intent of paragraphs A and B.

Note A: Credit to this account the portion of pension costs which is applicable to non-utility operations or which is charged to construction and retirement work orders, and to clearing or other accounts unless such amounts are distributed directly to the accounts concerned in the first instance.

Note B: Social security and unemployment benefit taxes shall be included in account 507, Operating Taxes, or other appropriate account. (See notes C, E and H to account 507.)

Note C: Each utility making charges to this account under paragraph B shall have filed with this commission a copy of its pension plan and pension trust agreement or contract with an insurance company for the purchase of annuities, together with a description of its program of advance provision for pension costs. Any material change in these items shall be reported promptly to the commission.

Note D: A complete record of the computation of the amounts paid as advance provision for pensions shall be maintained.

Note E: No charges shall be made to this account in anticipation of discretionary pension payments in the future.

Note F: Upon adoption of an accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve until such reserve is exhausted, unless the reserve is eliminated by payment of an equivalent amount into the pension trust fund.

#### A 800.3 Welfare and Pensions Administration

This account shall include the salaries of persons engaged in the administration of the welfare and pensions department and the expenses incurred in such administration.

Note A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in welfare and pension activities may be included in the accounts appropriate for their major duties.

Note B: Credit to this account the portion of the cost of the administration of the welfare and pension department which is applicable to amounts transferred to non-utility operations or which are charged to construction and retirement work orders or to clearing or other accounts, unless such administrative costs are distributed directly to the accounts concerned in the first instance.

#### B A 801.1 Corporate and Fiscal Expenses

This account shall include expenses of holding meetings of stockholders, cost of publishing and distributing annual reports to stockholders, cost of publishing corporate, dividend, and redemption notices, fees of stock transfer agents and registrars, fees and expenses of trustees and fiscal agents, expense of listing securities on stock exchanges, and other analogous items.

#### B A 801.2 Miscellaneous General Expenses

This account shall include such items of expense applicable to the steam department as association dues; contributions for conventions and meetings of the industry; cost of research and experimental work conducted for the benefit of the steam department or the industry or for the improvement of steam service (except such amounts as may be properly chargeable to other accounts); director's fees; fees for filing annual reports and tariff schedules; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

#### B 802. Maintenance of General Property

##### A 802.1 Maintenance of Structures and Improvements

This account shall include the cost of maintenance of general buildings, the book cost of which is included in account 371, Structures and Improvements.

Note: The cost of maintenance of buildings and improvements may be charged to account 907, Building Service-Clearing, in accordance with the provisions of that account.

##### A 802.2. Maintenance of Office Furniture and Equipment

This account shall include the cost of maintenance of office furniture and equipment used by the administrative divisions of the steam department.

Note: The cost of maintenance of office furniture and equipment used elsewhere than in the administrative departments shall be charged to the maintenance, construction or clearing account appropriate to the use thereof.

##### A 802.3. Maintenance of Communication Equipment

This account shall include the cost of maintenance of miscellaneous property not provided for in connection with the utility's operations, the book cost of which is included in account 378, Communication Equipment.

Note: If a clearing account is kept for the distribution of communication expenses to the appropriate accounts, the maintenance of communication equipment may be charged thereto and the use of this account discontinued.

##### A 802.4. Maintenance of Miscellaneous Equipment

This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere including miscellaneous general equipment, the book cost of which is included in account 379, Miscellaneous Equipment, and tools and work equipment included in account 377, Tools and Work Equipment.

Note: Maintenance of tools and work equipment may be charged to a clearing account and distributed to appropriate accounts based on the use of the equipment.

#### B A 803. General Rents

This account shall include rent property includible in steam operating expenses covering the property of others used, occupied or operated in connection with the general and administrative functions of the utility; and also amounts payable for depreciation, taxes, interest or return under joint facility agreements. (See operation and maintenance instructions §§ 467.5 and 467.6.)

Note: Rent for offices and buildings may be charged to account 907, Building Service-Clearing, in accordance with the provisions of that account.

#### B A 804. Commissions Paid Under Agency Sales Contracts

This account shall include the amount paid or payable by the utility to its agents as commission for distributing steam over the agent's distribution lines and selling the same, and for all services performed in connection therewith.

Note A: This account shall be used only when sales are made under rate schedules filed by the accounting utility and when the gross receipts therefrom are credited to it; otherwise the transactions shall be accounted for as sales of steam.

Note B: Records pertaining to each agency sales contract shall be so kept by the utility as to show full particulars as to amounts paid for each kind of service rendered thereunder.

#### B A 805. Franchise Requirements

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, steam furnished without charge under provisions of franchises. (See also account 302, Franchises and Consents.)

B. When no direct outlay is involved concurrent credit for such charges shall be to account 806, Duplicate Miscellaneous Charges-Credit.

C. This account shall be subdivided as follows

805.1. Cash outlays.

805.2. Steam supplied without charge--debit.

805.3. Other items furnished without charge--debit.

Note A: Taxes shall not be charged to this account. (See account 507, Operating Taxes.)

#### B A 806. Duplicate Miscellaneous Charges--Credit

A. This account shall include concurrent credits for charges which are made to account 805, Franchise Requirements, to the extent that such charges do not represent direct outlays. It shall also include concurrent credits for charges made to operating expense or other accounts of the steam department for steam for heating or other purposes for which there is no direct money outlay (see operating revenue instruction § 466.5); and also refunds by associated companies and mutual service companies provided for in subdivision (c) of general instruction section 461.8.

B. This account shall be kept in such manner as to disclose the nature and amount of each item included herein. B A 807. Administrative and General Expenses Transferred--Credit

A. This account shall be credited with amounts recorded in the administrative and general expenses which are properly includible in construction costs.

B. The records supporting this account shall be so kept as to show the basis of determining the amounts transferred to construction.

Note: See steam plant instruction, section 463.5.

#### B A 808. Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the steam department to others or to a coordinate department for joint facilities used, occupied or operated in connection with administrative and general functions of the utility. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following: (1) Charges from others, (2) charges from coordinate departments.

#### B A 809. Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the steam department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See operation and maintenance instruction § 467.6.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following: (1) Charges to others, (2) charges to coordinate departments.

### CLEARING ACCOUNTS

902. Stores Expenses--Clearing

903. Transportation Expenses--Clearing

- 904. Laboratory Expenses--Clearing
- 905. Shop Expenses--Clearing
- 906. Tools and Work Equipment Expenses--Clearing
- 907. Building Service--Clearing
- 902. Stores Expenses--Clearing

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

B. Cash discounts shall be credited hereto when such discounts can not be applied to the cost of particular materials.

C. This account shall be cleared by adding to the cost of materials and supplies a suitable loading charge which will distribute the expense equitably over stores issues.

#### ITEMS

- (1) Adjustments of inventories of materials and supplies.
- (2) Books, stationery, and office supplies.
- (3) Building service.
- (4) Collecting and handling scrap materials in stores.
- (5) Communication service.
- (5a) Depreciation of storeroom equipment.
- (6) Discount on materials when not assignable to specific items.
- (7) Freight, express, etc., when not assignable to specific items.
- (8) Heat, light and power for storerooms and stores offices.
- (9) Injuries and damages.
- (10) Inspecting and testing materials and supplies, when not assignable to specific items.
- (11) Insurance on materials and supplies and on stores equipment.
- (12) Losses due to breakage, leakage, evaporation, fire and other causes. Credit any amounts received from insurance, transportation companies or others in compensation of such losses.
- (13) Maintenance of office furniture and equipment.
- (14) Maintenance of stores equipment.
- (15) Pay and expenses of storekeepers, clerks, and others employed in storerooms or in store offices.
- (16) Postage, stationery and printing.
- (16a) Purchasing agents' fees, portion applicable to items carried through this account.
- (16b) Purchasing agents' pay and expenses, portion applicable to items carried through this account.
- (17) Rents.
- (18) Taxes, direct.
- (19) Transporting materials into storehouse, when not assignable to specific items.

Note A: Large differences in the accounts disclosed by inventories, which can readily be assigned to important classes of materials, shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in this account.

Note B: Transportation charges on materials recovered from retirements of steam plant shall be charged to the account to which the cost of removal was charged.

#### 903. Transportation Expenses--Clearing

A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general transportation equipment of the steam department, including direct taxes and depreciation on transportation equipment.

B. This account shall be cleared by apportionment to operating expense, steam plant or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis thereof.

#### ITEMS

- (1) Books and stationery.
- (2) Building service.
- (3) Communication service.
- (4) Depreciation of transportation equipment.
- (5) Feed and bedding for horses and mules.
- (6) Fuel and lubricants for vehicles (including sales and excise taxes thereon).
- (7) Freight, express, drayage, etc., on fuel, repair parts, etc.
- (8) Heat, light, and power for garage and garage office.
- (9) Injuries and damages.
- (10) Insurance on garage equipment and transportation equipment, including public liability and property damage.
- (11) License fees for vehicles and drivers.
- (12) Maintenance of office furniture and equipment.
- (13) Maintenance of transportation and garage equipment.
- (14) Office supplies, postage, etc.
  
- (15) Operation of garages and stables.
- (16) Pay and expenses of drivers, mechanics, etc.
- (17) Rent of garage buildings and grounds.
- (18) Rent of vehicles and other rents.
- (19) Taxes, direct.
- (20) Tires, tubes and chains.

#### 904. Laboratory Expenses--Clearing

A. This account shall include the cost of supervision, pay of chemists, engineers, assistants and other employees, and expenses of such employees, engaged in the operation and maintenance of steam general laboratories.

B. If a laboratory is maintained at a production station in connection with the operation of the station, the costs incident to its operation and maintenance shall be charged to the appropriate production expense account.

C. This account shall be cleared by apportioning on an equitable basis the total of the expenses to operating expense, steam plant, and other accounts benefited. Credits to this account shall be made in such detail as to permit ready analysis thereof.

## ITEMS

- (1) Books and stationery.
- (2) Building service.
- (3) Charts.
- (4) Chemists and their assistants, pay and expenses of.
- (5) Communication service.
- (5a) Depreciation of laboratory equipment.
- (6) Heat, light and power.
- (7) Injuries and damages.
- (7a) Insurance on laboratory equipment and supplies.
- (8) Maintenance of equipment.
- (9) Periodicals.
- (10) Rents.
- (11) Taxes, direct.
- (12) Testing supplies.

Note: The mandatory use of this account may be suspended upon order of the commission if equivalent information is readily obtainable from other records of the utility.

### 905. Shop Expenses--Clearing

A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of steam general shops of the utility.

B. This account shall be cleared by apportionment to operating expense, steam plant, or other accounts benefited on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

## ITEMS

- (1) Books and stationery.
- (2) Building service.
- (3) Collecting and handling scrap materials.
- (4) Communication service.
- (4a) Depreciation of shop equipment.
- (5) Heat, light and power.
- (6) Injuries and damages.
- (6a) Insurance on shop equipment and supplies.
- (7) Repairs to shop equipment.
- (8) Rents.
- (9) Pay and expenses of superintendents, machinists and other employees in shops.
- (10) Taxes, direct.

### 906. Tools and Work Equipment Expenses--Clearing

A. This account shall include the cost of supervision, labor and expenses incurred in the operation and maintenance of the general tools and work equipment of the steam department, including direct taxes and depreciation on such equipment.

B. This account shall be cleared by apportionment to operating expense, utility plant or other appropriate accounts on a basis which will distribute the expenses equitably according to the use of the equipment. Credits to this account shall be made in such detail as to permit ready analysis thereof.

#### ITEMS

- (1) Books and stationery.
- (2) Building service.
- (3) Communication service.
- (4) Depreciation of tools and work equipment.
- (5) Fuel and lubricants for equipment including sales and excise taxes thereon.
- (6) Injuries to persons and damages to property of others in the operation of tools and work equipment.
- (7) Insurance.
- (8) License fees for equipment.
- (9) Pay and expenses of operators, mechanics, etc.
- (10) Rent of tools and work equipment.
- (11) Repairs to tools and work equipment.
- (12) Shop expenses.
- (13) Taxes, direct.

Note: The use of this account is optional. If not used, maintenance of the equipment, to the extent applicable to operating expenses, shall be charged to account 802.4, Maintenance of Miscellaneous Equipment.

#### 907. Building Service--Clearing

A. This account shall include the cost of operating and maintaining offices and buildings whether owned or rented from others, when such expenses are not allocated as they are incurred to the operating expense or other accounts benefited.

B. This account shall be cleared by apportionment to the appropriate accounts on the basis of the use made of the property.

C. A separate subdivision of this account shall be kept for each building operated.

#### ITEMS

- (1) Cleaning service and supplies.
- (2) Communication service.
- (3) Elevator service.
- (4) Fuel.
- (5) Heat.
- (6) Injuries and damages.
- (7) Insurance
- (8) Janitor service, including rent for space occupied as living quarters.
- (9) Light.

- (10) Maintenance of buildings.
- (11) Pay and expenses of superintendents.
- (12) Power.
- (13) Refrigeration.
- (14) Rents.
- (15) Towels.
- (16) Water.