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§ 323.1 Purpose of operating revenue accounts

The operating revenue accounts (1600 to 1615) are designed to show the amounts of money which the utility becomes entitled to receive from furnishing gas utility service and from service incidental thereto, including amounts for services rendered but not yet billed when the utility exercises its option to record in account 1133, Miscellaneous Current and Accrued Assets, such accrued gas revenue.

§ 323.2 Basis of credits to operating revenue accounts

Credits to the operating revenue accounts shall be made on the basis of the net tariff rates. Discounts forfeited for delayed payments shall be credited to account 1612, Customers' Forfeited Discounts. Corrections of overcharges and overcollections theretofore credited, authorized abatements and allowances, and other corrections shall be charged to the revenue accounts to which they relate.

§ 323.3 Commissions on gas sales

If the utility distributes all or a part of its gas through an agent but the sales are made to customers under rate schedules filed by the utility, the utility shall credit its revenue accounts with the full amount of sales to customers. The commission paid to the agent shall be charged to account 1800, Other General Expenses, and any distribution expenses charged by the agent shall be debited to the appropriate expense accounts. Agents shall credit the amount of commissions earned to operating revenue account 1615, Miscellaneous Gas Revenues.

§ 323.4 Gas supplied without direct charge

Gas supplied to municipalities, or to other governmental units, without charge, in accordance with franchise and similar requirements, shall be charged to account 1805, Franchise Requirements, and credited concurrently to account 1806, Duplicate Charges--Credit.

§ 323.5 Gas or steam used by utility

(a) If the utility desires to charge the appropriate accounts in any of its gas operations with the cost of gas or steam used from its own supply, the credit therefor shall not be made to operating revenue accounts, but to account 1806, Duplicate Charges--Credit. (See also account 1752, Natural Gas Production--Credit.)

(b) Gas supplied by the utility from its own supply to other departments shall be credited to account 1607, Interdepartmental Sales. The accounting for steam supplied from the manufactured gas production plant for purposes other than the production of manufactured gas shall be as provided in account 1728, Steam Produced--Credit.

§ 323.6 Supporting records

Each utility shall so keep the records supporting the entries to each gas sales account that it can furnish:

- (a) the name of each customer,
- (b) the quantity of gas furnished to each customer,
- (c) the amount charged for gas furnished each customer, and
- (d) the service classifications under which the charge is made. Each utility shall also be prepared to report upon request, within a reasonable time, for each month or other billing period and for each year, the quantity of gas sold and the charges therefor, by service classifications.

ACCOUNTS

ACCOUNTS

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ASSETS AND OTHER DEBITS

UTILITY PLANT

Note A: In accounts 1101, 1102, and 1104 for gas plant are to be carried the totals of the detailed plant accounts 1301-1390 in which the utility's plant is required to be carried on the utility's plant ledger.

Note B: If the utility is engaged in more than one utility service, such as gas, electric or steam, and any of its utility plant is used in common for several utility services or for other services, the original cost of such plant may be carried in a separate subdivision of the plant accounts, whereto the word "Common" shall be suffixed to designate such property as common.

D 1100. Gas Plant

This account shall include items provided for in accounts 1101 to 1104.

C 1101. Gas Plant in Service

This account shall include the original cost of gas plant owned and used and useful by the utility in the service of the public in its gas operations. The original cost of such plant not owned, including additions to and betterments of property leased from others, shall be included in separate subdivisions of this account. (See gas plant instruction § 322.8.)

C 1102. Gas Plant Leased to Others

This account shall include the original cost of gas plant owned by the utility and leased to others as operating units or systems when the lessee has exclusive possession, such as an entire production plant, distribution system, or office building.

C 1103. Construction Work in Progress

This account shall include the expenditures on gas plant in process of construction but not ready for service at the date of the balance sheet.

C 1104. Gas Plant Held for Future Use

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

Note A: Materials and supplies and meters and house regulators held in reserve shall not be included in this account.

Note B: Amounts paid as rentals for land or rights held to insure a future supply of natural gas shall be charged to account 1526, Miscellaneous Non-operating income, or, in case there is a definite plan for the use of such land or rights, such amounts may be included in account 1104, Gas Plant Held for Future Use; provided, that such rentals for a period in excess of one year shall not be included either in account 1104, Gas Plant Held for Future Use, or, after such land or rights are actually used, in account 1101, Gas Plant in Service, except upon order of this commission.

Note C: Wells shut in after construction and which have not been connected with the line, and wells which have been connected with the line but which are shut in for any reason except seasonal excess capacity or for repairs, shall be included in this account.

D C 1105. Gas Plant Acquisition Adjustments

A. With respect to gas plant acquired prior to the effective date hereof and still in service at that date, this account shall include (unless otherwise ordered by this commission) the difference between the amount carried on the books therefor as of the effective date hereof, and the original cost thereof when such difference is not clearly includible in any other account.

B. With respect to gas plant acquired after December 31, 1938, as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, this account shall include (unless otherwise ordered by this commission) the difference between (a) the cost to the accounting utility of such gas plant, and (b) the original cost thereof less credits representing contributions (see paragraph B of account 1265, Contributions in Aid of Construction, and gas plant instruction § 322.1, 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 gas plant and less the amount in account 1265, Contributions in Aid of Construction.

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

D. A record shall be kept of the amounts in this account for each property acquisition after the effective date hereof.

E. With respect to the amount applicable to gas plant acquired prior to the effective date hereof, 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.

D C 1106. Unclassified Gas Plant

A. Pending the classification of gas plant at the effective date of this system of accounts in accordance with the accounts prescribed herein, as provided in paragraph B hereof, each utility shall maintain its present accounts with respect to such property which shall be summarized under the title of this account.

B. Not later than six months after the effective date hereof, each utility in Class C shall submit to the commission the entries it proposes to make to carry out the provisions of this system of accounts with reference to the original cost of its gas plant as of the effective date hereof. It shall submit also a comparative balance sheet showing the accounts and amounts appearing in its books as of the effective date of this system of accounts and the accounts and respective amounts as of the same date after the proposed entries shall have been made.

C. Nothing herein stated shall be taken as permitting the recording as part of the original cost of gas plant of amounts charged in previous years to operating expenses, operating taxes or other income or surplus accounts.

D. There shall also be included in a separate subdivision of this account (1) the cost of gas 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 orders of this commission; and (2) the credit for the sale price of gas 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 and an order of this commission for the accounting of such sale.

D C 1108. Other Utility Plant

A. There shall be included under this caption the balances in accounts for utility plant other than gas plant, as for example, electric, steam, etc. B. A separate account shall be kept for each utility department.

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

INVESTMENT AND FUND ACCOUNTS

D C 1110. Other Physical Property

A. This account shall include the cost to the utility of land, structures, and equipment owned by the utility and not includible in utility plant accounts (1100-1108).

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.

D C 1114. Miscellaneous Investments and Special Funds

A. This account shall include assets, such as:

- (1) Investments in securities issued or assumed by others
- (2) Advances to others, except advances to associated companies (see account 1115) including interest accrued thereon
- (3) Assets held in sinking funds, depreciation funds, and other special funds, such as:
 - (a) Cash

(b) Securities issued by others or other assets, at cost except as provided in paragraphs C and D

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

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

(4) Special deposits for more than one year, such as for rent, performance of contracts, etc.

B. The records shall be so kept as to show the amount of each investment and the investment advances to each person.

C. Except as otherwise provided, the investments included in this account shall be recorded at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends. The utility may write down the cost of any investment in recognition of a decline in the value thereof, and if there be no reasonable prospect of substantial value it shall be written off or written down to a nominal value. Fluctuations in market value shall not be recorded but a permanent impairment in the value shall be recognized in the accounts. When investments are written off or written down the amount of the adjustment shall be charged to account 1538, Miscellaneous Income Deductions, or to account 1414, Miscellaneous Debits to Surplus, except that if a reserve has been created therefor, it shall be to such reserve account.

D. If securities with a fixed maturity date are purchased at a discount or at a premium, such discount or premium may be written off over the remaining life of the securities through periodic debits or credits to this account with concurrent credits or debits to account 1524, Interest Revenues.

Note A: Securities pledged shall be so indicated.

Note B: This account shall not include advances to or open accounts with associated companies. (See account 1115, Owing by Associated Companies.)

OWING BY ASSOCIATED COMPANIES

D C 1115. Owing by Associated Companies

A. This account shall include debit balances in all accounts with associated companies, and notes and drafts upon which associated companies are liable, together with interest thereon.

B. This account shall be so kept as to show for each associated company the amounts receivable on notes separately from amounts receivable on open accounts, and the due date of each item.

Note: The face amount of notes receivable from associated companies discounted or sold without releasing the utility from liability as endorser thereon, shall not be credited to this account, but to account 1221, Notes Receivable Discounted.

CURRENT AND ACCRUED ASSETS

D C 1120. Cash and Working Funds

This account shall include cash on hand and in bank and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends, or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

Note: Deposits for more than one year shall not be charged to this account but to account 1114, Miscellaneous Investments and Special Funds.

D C 1124. Notes Receivable

This account shall include the cost 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: Notes receivable from associated companies shall not be included herein but in account 1115, Owing by Associated Companies.

Note B: When notes receivable are discounted, sold or transferred, unless transferred without recourse, an entry shall be made debiting account 1120, or other applicable accounts, and crediting account 1221, Notes Receivable Discounted. If notes receivable are placed in a bank for collection, no entry need be made therefor in the general ledger, but a memorandum entry to state the fact shall be made in the note record.

D C 1125. Accounts Receivable

A. This account shall include amounts due on open accounts from customers for utility services (including merchandising, jobbing and contract work) and from others than customers, except amounts due from associated companies.

B. Utilities shall subdivide this account to show separately (1) amounts due from customers, (2) amounts due from officers and employees (except working fund advances which are includible in account 1120, but including amounts due for utility service), and (3) amounts due from others.

D C 1131. Materials and Supplies

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

B. If inward transportation charges on materials are not included as a part of the cost of the particular materials to which they relate, they shall be charged to account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

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 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

D. Materials recovered in connection with construction, maintenance, or the retirement of property which are not intended to be reused, shall be designated as "scrap" and charged to this account at amounts which it is estimated will be realized therefrom; if they are intended to be reused, they shall be charged to this account at the average price at which like materials are carried, except that large individual items of equipment, such as production plant equipment, shall be carried at original cost.

E. When materials are issued for use, this account shall be credited with either the actual cost of the material issued or the average cost of all items of the same kind and size, not including "scrap" material. Scrap material shall be credited to this account when sold or otherwise disposed of at the amount at which such materials were charged into the account. Account 1250, Reserve for Depreciation of Utility Plant, shall be adjusted for the difference between the amount charged hereto and the amount received therefor if material was recovered from retirement of property, and the appropriate maintenance account shall be adjusted if such material was recovered on maintenance work.

F. 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, differences shall be equitably apportioned among the accounts to which materials have been charged since the preceding inventory, or included in account 1810, Stores, Shop and Laboratory Expenses, unless account 1902, Stores Expenses--Clearing, is used, in which case they shall be therein included.

Note: 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.

D C 1132. Prepayments

A. When a payment is made in advance of the period to which the expenditure applies, the amount thereof shall be charged to this account. Each month or other accounting period to which the item applies an entry shall be made crediting this account and charging the appropriate account with its proper portion of the prepayment.

B. Representative items includible herein are prepaid insurance, rents (see gas plant instruction § 322.8), taxes and interest. The account shall be so kept or supported as to disclose the balance of each class of prepayments.

Note: For example, an insurance premium amounting to \$ 1200 is paid on a policy running for a year in the future. The amount of the premium shall be charged to this account, and each month or other accounting period, entries shall be made transferring from this account to the appropriate operating expense or other account the portion of the premium which is applicable to the period.

D C 1133. Miscellaneous Current and Accrued Assets

This account shall include the following classes of items:

- (1) Interest, dividends and rents receivable, except from associated companies
- (2) Estimated amounts accrued to the utility for service rendered but not billed as of the end of any accounting period (This is optional.)
- (3) Cash surrender value of life insurance policies under which the utility is the beneficiary (See note to account 1800, Other General Expenses.)
- (4) Other assets not includible in accounts 1120 to 1132, or 1115, which are readily convertible into cash or are held for current use in operations or construction

DEFERRED DEBITS

D C 1140. Unamortized Debt Discount and Expense

A. Discount on bonds or other debt is the excess of the face value of the securities plus interest accrued at the date of sale over the cash value of the consideration received from their sale; when the amount (or cash value of the consideration) received exceeds the face value and accrued interest, the excess is the premium. Expenses incurred in connection with the issue are items such as fees for drafting mortgages, taxes and fees for issuing and recording, commissions or fees paid for selling bonds, cost of obtaining governmental authorization, etc.

B. When discount and expenses are incurred on an issue of long-term debt (see § 320.1, subd. (a)(8)) or when expenses on an issue are greater than the premiums on such issue, the amount thereof shall be included in this account. A separate subdivision shall be kept for each class and series of long-term debt.

C. The discount and expense (or expense less premium if a net debit) on each issue shall be written off over the life of the issue to which it applies under a plan that will equitably distribute the amounts over the life of the bonds or other long-term debt. This may be done by monthly charges to account 1531, Amortization of Debt Discount and Expense, and credits to this account. The utility may, however, charge off discount and expense (or expenses less premium if a net debit) over a shorter period by charges to account 1414, Miscellaneous Debits to Surplus.

D. When bonds or other long-term debt are reacquired, any balance included in this account representing discount and expense (or expense less premium if a net debit) on the reacquired debt shall be credited to this account and debited to account 1414, Miscellaneous Debits to Surplus. The difference between the face value of the bonds or other long-term debt and the amount for which they were reacquired shall be carried to Surplus. (See also account 1153, Reacquired Long-term Debt.)

D C 1146. Miscellaneous Deferred Debits

A. This account shall include the following classes of items:

(1) 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 with the amount applicable thereto and the appropriate gas plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant. If the work is abandoned, the charge shall be to account 1538, Miscellaneous Income Deductions, or account 1414, Miscellaneous Debits to Surplus, unless otherwise authorized or directed by this commission.

(2) Extraordinary property losses which require abandonment or retirement of property in advance of adequate provision therefor through reserves or otherwise, such as destruction by floods, condemnation for public use, etc. When such losses are incurred the utility shall make application to this commission to prescribe the accounting therefor and shall submit all the relevant facts concerning the case.

(3) Undistributed balances in clearing accounts (see accounts 1901 to 1905) 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.

(4) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(5) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

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

CAPITAL STOCK EXPENSE

D C 1151. Capital Stock Expense

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

B. The accounts hereunder shall be so kept as to show separately the expense on each class and series of capital stocks.

C. Credits made to this account to write off capital stock expense (if the utility desires to write off such expense) shall be offset by debits to account 1414, Miscellaneous Debits to Surplus.

D. When capital stock is reacquired, this account shall be credited and account 1414, Miscellaneous Debits to Surplus, shall be charged with the amount of expenses included herein applicable to such reacquired stock.

REACQUIRED SECURITIES

D C 1152. Reacquired Capital Stock

A. This account shall include the par value of capital stock which had been issued by the utility and is reacquired by it and not retired or canceled, but is held by the utility. 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 1200, Common Capital Stock, or account 1201, Preferred Capital Stock.

B. The difference between the amount paid for capital stock reacquired and the amount at which such reacquired stock is charged to this account in accordance with paragraph A, above, shall be carried to account 1401, Miscellaneous Credits to Surplus, or account 1414, Miscellaneous Debits to Surplus, as appropriate, to which shall also be transferred any premium or expense applicable to the capital stock reacquired.

C. When reacquired capital stock is retired or canceled, this account shall be credited and account 1200 or 1201, as applicable, shall be charged with the amounts at which such stock is included therein. When reacquired capital stock is resold by the utility (see section 69 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 so kept or supported as to show the amount herein applicable to each class and series of stock.

D C 1153. Reacquired Long-term Debt

A. This account shall include the par or face value of bonds or other long-term debt which had been issued or assumed by the utility and is 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 69 of Public Service Law). It shall not include securities which are held by trustees in sinking or other funds.

B. The difference between the amount paid for bonds or other long-term debt reacquired and their par or face value shall be debited or credited, as appropriate, to account 1414, Miscellaneous Debits to Surplus, or 1401, Miscellaneous Credits to Surplus, to which shall also be transferred any discount, premium or expense applicable to the reacquired bonds or other long-term debt.

C. When reacquired bonds or other long-term debt are resold by the utility (see section 69 of Public Service Law), the par or face value thereof shall be credited to this account. When reacquired bonds or other long-term debt are retired or canceled, this account shall be credited and the appropriate long-term debt account shall be charged with the par or face value thereof*.

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D. This account shall be so kept or supported as to show the amount herein applicable to each class and series of long-term debt.

LIABILITIES AND OTHER CREDITS CAPITAL STOCK

D C 1200. Common Capital Stock

D C 1201. 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 which has been issued and is outstanding, and also the capital stock in account 1152, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more than the par value of any stock having par value, the excess shall be credited to account 1203, Premiums and Assessments on Capital Stock.

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 kept for each class and series of stock. The supporting records shall show the shares in the hands of the public and those reacquired by the company and not resold.

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 1203, Premiums and Assessments on Capital Stock, and a levy or assessment on capital stock without par value shall be included in these accounts.

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

D C 1203. 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. (Assessments on stock without par value shall be included in account 1200 or 1201, as appropriate.)

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

D C 1205. Instalments Received on Capital Stock

A. This account shall include the amount of instalments received on capital stock subscribed for on a partial or instalment payment plan.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and account 1200, Common Capital Stock, account 1201, Preferred Capital Stock, or account 1152, Reacquired Capital Stock (if reacquired stock is resold), credited with the par value of such capital stock having par value, and with the consideration received for capital stock without par value. Premiums on capital stock with par value shall be transferred to account 1203, Premiums and Assessments on Capital Stock.

Note: The records supporting the entries to this account shall be so kept 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.

NON-CORPORATE PROPRIETORSHIP

D C 1206. Non-corporate Proprietorship

This account shall include the investment in an unincorporated utility by the proprietor thereof, and shall be charged with all withdrawals from the business by its proprietor. At the end of each calendar year the net income for the year as developed in the income account shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through Surplus. (See optional accounting procedure provided in note C hereunder.)

Note A: Amounts payable to the proprietor as just and reasonable compensation for services performed shall not be charged to this account but to appropriate operating expense or other accounts.

Note B: When the utility is owned by a partnership, a separate account shall be kept to show the net equity of each member therein and the transactions affecting the interest of each such partner.

Note C: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor or the withdrawal of portions thereof not representing net income. When this option is taken the surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

LONG-TERM DEBT

D C 1210. Bonds

This account shall include the face value of unmatured bonds which have been issued and 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. The account shall be so kept as to show the face value of each class and series outstanding.

Note A: The accounting for discount, expense, and premium on long-term debt, is set forth in accounts 1140, Unamortized Debt Discount and Expense, and 1240, Unamortized Premium on Debt.

Note B: Matured long-term debt shall be included in account 1225, Matured Long-term Debt.

D C 1211. 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 kept for each issue of receivers' certificates.

Note: Matured receivers' certificates shall be included in account 1225, Matured Long-term Debt.

D C 1213. Miscellaneous Long-term Debt

A. This account shall include until maturity all notes or other obligations (except advances from associated companies) having a life of more than one year after issue or assumption. This includes such items as real estate mortgages, executed or assumed, assessments for public improvements due later than one year after date, etc.

B. Separate accounts shall be kept for each class of obligation, and records shall 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 1225, Matured Long-term Debt.

DEBTS TO ASSOCIATED COMPANIES

D C 1214. Debts to Associated Companies

This account shall include all amounts owed to associated companies on notes, drafts, acceptances or other similar evidences of indebtedness and open accounts payable, and also interest on obligations included herein, and shall be so kept as to show separately the amount payable to each associated company on (1) notes, (2) open accounts.

CURRENT AND ACCRUED LIABILITIES

D C 1220. 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.

D C 1221. Notes Receivable Discounted

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

D C 1222. Accounts Payable

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

D C 1224. 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.

D C 1225. Matured Long-term Debt

When any debt carried in account 1210, Bonds, 1211, Receivers' Certificates, or 1213, Miscellaneous Long-term Debt, matures but is not paid or for which no specific agreement for extension of the time of payment is made, it shall be transferred to this account; bonds called for redemption but not presented, shall also be included herein.

D C 1227. Customers' Deposits

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

D C 1228. Taxes Accrued

A. This account shall be credited each month with the amount of taxes applicable thereto when payment of such taxes is to be made in a subsequent period. Concurrently, debits shall be made to the appropriate accounts for tax charges. In the absence of precise information as to the amount of the tax the monthly credits to this account will necessarily be based upon estimates; when the actual amount of the tax becomes known, the amounts of the periodic accruals shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto.

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

D C 1229. Interest Accrued

This account shall include the amount of interest accrued on long-term debt and other liabilities of the utility, except interest on debt to associated companies, which shall be included in account 1214, Debts to Associated Companies, and except interest which is added to the principal of the debt on which incurred.

Note: This account shall be so kept as to show the amount of matured interest on each obligation.

D C 1230. Other Current and Accrued Liabilities

This account shall include liabilities of a current character (those which are either matured at the date of the balance sheet or become due on demand or within one year from date of issuance or assumption except bonds, receivers' certificates, and debts to associated companies) or which have accrued but are not payable at the date of the balance sheet, other than those for which accounts 1220 to 1229 have been provided.

DEFERRED CREDITS

D C 1240. Unamortized Premium on Debt

A. This caption shall include credit balances representing the premiums less expenses, when a net credit, on each issue of long-term debt, including receivers' certificates. (See account 1140 for definitions of premium and debt expense.)

B. The net credit of the premium less expense on each issue shall be written off over the life of the issue under a plan that will equitably distribute the amounts over the life of the securities by debits to this account and credits to account 1532, Amortization of Premium on Debt-Credit.

C. When bonds or other long-term debt are reacquired, any balance included in this account representing premium (less expense) on the debt shall be wiped out by a debit to this account and a credit to account 1401, Miscellaneous Credits to Surplus. (See also account 1153, Reacquired Long-term Debt.)

D C 1241. Customer 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 gas plant accounts to which the cost of the property was charged.

B. In each accounting period (see general instruction § 321.3), this account shall be charged and account 1615, Miscellaneous Gas Revenues, credited with amounts deductible for depreciation on property for which the advances were made to the extent that the liability of the utility to make refunds is reduced because of such depreciation on the property. C. Separate subdivisions shall be kept for each utility service.

D C 1242. Other Deferred Credits

This account shall include advanced billings and receipts and other deferred credit items not provided for elsewhere; also amounts which cannot 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

D C 1250. Reserve for Depreciation of Utility Plant

A. This account shall be credited with the following:

- (1) Amounts representing currently accruing depreciation on utility plant (See general instruction § 321.8.)
- (2) Amounts charged to account 1414, Miscellaneous Debits to Surplus, for past accrued depreciation of utility plant
- (3) Accrued depreciation upon utility properties acquired as operating units or systems
- (4) Amounts charged upon approval of the commission to account 1146, Miscellaneous Deferred Debits

B. Class C utilities shall subdivide this account as follows:

C 1250.1 Reserve for Depreciation of Gas Plant in Service

C 1250.2 Reserve for Depreciation of Gas Plant Leased to Others

C 1250.4 Reserve for Depreciation of Gas Plant Held for Future Use

C 1250.6 Reserve for Depreciation of Unclassified Gas Plant

C 1250.8 Reserve for Depreciation of Other Utility Plant

C. Class C utilities shall keep further subdivisions of the foregoing accounts to show the amounts applicable to each gas plant account (1302-1390); and also subdivisions for "Common" plant.

D. This account shall be charged with the amount carried on the books for plant retired (except items in account 1301, Organization), and with the cost of removal, and shall be credited with the salvage realized and any other amounts recovered, such as insurance. (See also item 2 of account 1146, Miscellaneous Deferred Debits.)

E. The reserves shall be so kept as to show separately for each subdivision (1) the amount of the accrual for depreciation, (2) the amount at which property retired was carried on the books, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

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 this commission.

D C 1252. Reserve for Amortization of Gas Plant Acquisition Adjustments

This account shall be credited (or debited) with amounts which are charged (or credited) to account 1505, Amortization of Gas Plant Acquisition Adjustments, to account 1538, Miscellaneous Income Deductions, or to Surplus, for the purpose of providing for the extinguishment of amounts carried in account 1105, Gas Plant Acquisition Adjustments.

D C 1254. Reserve for Uncollectible Accounts

This account shall be credited each month with estimated amounts required to provide 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 1783, Uncollectible Accounts, for amounts applicable to gas operations, and to corresponding accounts for other operations.

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

D C 1255. Reserve for Insurance, Injuries and Damages

A. This account shall be credited, and account 1798, Insurance, Injuries and Damages, or other appropriate account, charged each month with amounts which the utility estimates are required for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others, and for 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. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the risks covered, and the rates used.

B. Charges shall be made to this account for:

(1) Losses to property owned or leased from others, covered by selfinsurance

(2) Liability for any injury or damage which 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 amount of the liability pending its payment shall be credited to the appropriate liability account.

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: Recoveries or reimbursements for losses charged to this account shall be credited hereto.

D C 1258. Miscellaneous Reserves

A. This account shall include all reserves which are not provided for elsewhere in this system of accounts, such as reserves for pensions, accident and death benefits, relief or other provident purposes, etc., and for depreciation of property carried in account 1110, Other Physical Property.

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

CONTRIBUTIONS IN AID OF CONSTRUCTION

D C 1265. Contributions in Aid of Construction

A. This account shall include those contributions for construction purposes made prior to January 1, 1947 in cash, services or property by States, municipalities or other governmental agencies, individuals and others which have not been transferred to other accounts.

B. Amounts in this account at December 31, 1946 which are refundable wholly or in part shall be transferred to account 1241, Customer Advances for Construction. Unless otherwise ordered by the commission, non-refundable

amounts in this account at December 31, 1946 which can be identified with property in gas plant accounts shall be transferred to the appropriate accounts. Amounts not identified with property in gas plant accounts may be distributed to gas plant accounts under a plan approved by the commission; otherwise the amounts remain in this account. Except as provided herein, 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 (gas, electric, etc.) of the utility.

SURPLUS

D C 1271. Surplus

This account shall include the total of balances of accounts 1400 to 1414. The balance may be either a credit or a debit.

GAS PLANT ACCOUNTS

INTANGIBLE PLANT

D C 1301. Organization

D C 1302. Franchises and Consents

D C 1303. Miscellaneous Intangible Plant

PRODUCTION PLANT

D C 1310. Land and Land Rights

D C 1311. Structures and Improvements

D C 1317. Coal Gas Equipment

D C 1320. Water Gas Equipment

D C 1321. Petroleum Gas Equipment

D C 1322. Production Equipment--Other Processes

D C 1324. Producing Gas Wells

D C 1325. Gathering Lines and Equipment

D C 1326. Drilling and Cleaning Equipment

D C 1330. Other Production Equipment

TRANSMISSION AND DISTRIBUTION PLANT

D C 1360. Land and Land Rights

D C 1361. Structures and Improvements

D 1363. Transmission and Distribution Lines

C 1363.1. Mains

C 1363.2. Pumping and Regulating Equipment

C 1363.3. Services

D C 1366. Meters and House Regulators

- D C 1367. Installations on Customers' Premises
- D C 1368. Leased Property on Customers' Premises
- D C 1369. Street Lighting Equipment

GENERAL PLANT

- D C 1370. Land and Land Rights
- D C 1371. Structures and Improvements
- D C 1372. Office Furniture and Equipment
- D C 1373. Transportation Equipment
- D C 1379. Other General Equipment
- D C 1390. Other Tangible Property

INTANGIBLE PLANT

- D C 1301. 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 (except costs includible in account 1302)
2. Fees and expenses for incorporation
3. Fees and expenses for mergers or consolidations
4. Office expenses incident to organizing the utility
5. Stock and minute books and corporate seal

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

Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously carried on the books of the corporations merged, consolidated, or reorganized shall not be included in this account.

- D C 1302. Franchises and Consents

A. This account shall include only 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.

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. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 1414, Miscellaneous Debits to Surplus.

- C. When any franchise has expired, the amount included therefor in this account shall be credited hereto.

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

D C 1303. 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 gas operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the amount included herein for the item shall be credited hereto.

C. This account shall be so kept that the utility can furnish full information with respect to the amounts included herein.

Note: Expenses incident to procuring franchises, consents, or certificates shall not be included herein.

PRODUCTION PLANT

Note: If the utility produces gas in two or more plants, separate production plant accounts shall be kept for each plant; when more than one kind of gas is produced at a single plant, the equipment used in common, if any, shall be kept in separate subdivisions and the extent of use for each process shall be indicated.

D C 1310. Land and Land Rights

This account shall include the cost of land and land rights used in connection with gas production. (See gas plant instruction § 322.4.)

D C 1311. Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with gas production. This includes relief and storage holders when located at the production plant. (See gas plant instruction § 322.5.)

D C 1317. Coal Gas Equipment

This account shall include the cost installed of plant and equipment used for the production and purification of coal gas.

ITEMS

1. Power equipment, such as furnaces, boilers, internal combustion engines and other driving equipment; accessory equipment, such as fuel and ash handling and storage equipment, piping and accessories, etc.

2. Benches and retorts, coke ovens, and accessory equipment

3. Purification equipment and accessories

4. Purification equipment and accessories

5. Residual refining equipment and accessories

6. Other production and accessory equipment, such as gas mixing equipment, tanks, odorizing equipment, oil foggers, piping and accessories, works exhausters, works station meters and gauges, production laboratory equipment, etc.

Note A: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

Note B: Include office furniture and equipment, desks, chairs, etc., in account 1372, Office Furniture and Equipment.

D C 1320. Water Gas Equipment

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

ITEMS

1. Power equipment, such as furnaces, boilers, internal combustion engines and other driving equipment; accessory equipment such as fuel and ash handling and storage equipment, piping and accessories, etc.

2. Water gas generating equipment, such as generators, carburetors, superheaters, and equipment accessory thereto

3. Purification equipment and accessories

4. Residual refining equipment and accessories

5. Other production and accessory equipment, such as gas mixing equipment, tanks, odorizing equipment, oil foggers, piping and accessories, works exhausters, works station meters and gauges, production laboratory equipment, etc.

Note A: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

Note B: Include office furniture and equipment, desks, chairs, etc., in account 1372, Office Furniture and Equipment.

D C 1321. Petroleum Gas Equipment

This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane or gasoline.

ITEMS

1. Bottling equipment and accessories

2. Carbureting equipment and accessories

3. Compression equipment including pumps and accessories

4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided

5. Mixing or proportioning equipment

6. Piping, including valves

7. Storage equipment other than holders

8. Vaporizing equipment

Note: Include office furniture and equipment, desks, chairs, etc., in account 1372, Office Furniture and Equipment.

D C 1322. Production Equipment--Other Processes

This account shall include the cost installed of production equipment for processes other than those provided for in preceding accounts, such as for the production of oil gas, acetylene gas, etc., and for producer gas when not for use in the manufacture of coal gas.

D C 1324. Producing Gas Wells

This account shall include the cost installed of productive gas wells, up to and including well gate, including cost of drilling, casing, tubing, packing, and shutting in wells; also minor buildings and structures at the wells.

ITEMS

1. Casing

2. Clearing site for drilling

3. Drive pipe

4. Fittings, including shut-in valve, separators and drips

5. Fuel or power used in drilling, cost of

6. Packing

7. Pumps and drives permanently connected

8. Tubing

9. Rent of drilling equipment

10. Roads to well site, cost of making, clearing, etc.

11. Cost of hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs and other equipment and tools used in drilling

12. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase

Note A: Records shall be kept to show the cost and the depth of each well drilled.

Note B: Cost of drilling, etc., incurred in connection with dry holes shall be charged as provided in account 1749, Non-productive Well Drilling Expenses.

D C 1325. Gathering Lines and Equipment

This account shall include the cost installed of pipe lines and equipment used in conveying natural gas from the wells to the point of storage or compression, or where it enters the transmission or distribution system.

ITEMS

1. Boosters
2. Drip traps
3. Driving units
4. Gathering lines, including pipe, valves, fittings, and supports
5. Instruments, meters, pressure gauges, etc.
6. Pressure regulators
7. Pumps

D C 1326. Drilling and Cleaning Equipment

This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

ITEMS

1. Bailers
2. Boilers
3. Derricks
4. Drilling cables
5. Drilling machines
6. Engines
7. Motors
8. Pulling machines
9. Rigs

D C 1330. Other Production Equipment

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

ITEMS

1. Equipment for reforming gas
2. Gas mixing equipment
3. Natural gas purification equipment
4. Odorizing equipment
5. Oil foggers

6. Production laboratory equipment

TRANSMISSION AND DISTRIBUTION PLANT

D C 1360. Land and Land Rights

This account shall include the cost of land and land rights used in connection with transmission or distribution operations. (See gas plant instruction § 322.4.)

D C 1361. Structures and Improvements

A. This account shall include the cost in place of structures and improvements used in connection with transmission or distribution operations. (See gas plant instruction § 322.5.)

B. This includes storage holders and accessory equipment when located on the transmission or distribution system. Storage holders and accessory equipment located at the production plant shall be included in account 1311, Structures and Improvements.

D 1363. Transmission and Distribution Lines

This account shall include property provided for in accounts 1363.1, 1363.2 and 1363.3.

C 1363.1 Mains

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

ITEMS

1. Drip lines and pots
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 coatings
7. Pipe and fittings
8. Pipe laying
9. Pipe supports
10. Protection of street openings
11. Surveys made for main construction
12. Valves (including manholes or pits), not associated with pumping or regulating equipment

Note: The cost of cutting and replacing pavement, pavement base and sidewalks disturbed in laying mains shall be included in a separate subdivision of this account.

C 1363.2 Pumping and Regulating Equipment

This account shall include the cost installed of pumping, regulating, and measuring equipment, including minor structures which house such equipment.

ITEMS

1. After-cooling equipment and accessories
2. Boosters
3. Compressors
4. Driving units for items listed herein

5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material
6. Foundations and vaults for items listed herein
7. Governors or regulators for pressure in mains
8. Manholes or pits used to house equipment included in this account
9. Meters located on mains
10. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
11. Piping and fittings for equipment
12. Pressure indicators
13. Pressure regulating devices
14. Valves associated with pumping or regulating equipment

C 1363.3 Services

A. This account shall include the cost installed of service pipes, 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. This includes the cost of stub services run in anticipation of future use. Service laterals serving meters at more than one location shall be included in this account.

B. The utility shall keep records to show separately the number and average length of high pressure and low pressure services of each diameter and material, the book cost of which is included in this account; and the number through which gas is being delivered, those which have been used but which are inactive, and those to which no meters are attached.

C. Services which have been used but have become inactive shall be retired immediately if there is no prospect of reuse, and, in any event, shall be retired by the end of the year following that during which the service became inactive unless reused in the interim.

D. When a service previously retired in accordance with paragraph C is reused, the amount previously credited to this account on retirement shall be charged hereto and concurrently credited to account 1250, Reserve for Depreciation of Utility Plant.

ITEMS

1. Curb valves and curb boxes
2. Drips
3. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material
4. Municipal inspection
5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
6. Permits
7. Pipe and fittings, including saddle, tee or other fitting on street main
8. Pipe coatings
9. Protection of street openings

D C 1366. Meters and House Regulators

A. This account shall include the cost installed of meters, house regulators or other devices and appurtenances thereto, used in measuring the gas delivered to its users, and the cost of meters and house regulators held in reserve. The installation cost includible herein is the first installation at a location.

B. When a meter or house regulator is permanently retired from service, the amount at which it is included herein shall be credited to this account. Meter installations in excess of the number of meters installed and house regulator in-

stallations in excess of the number of house regulators installed, both active and inactive, shall be retired immediately if there is no prospect of reuse, and in any event shall be retired by the end of the year following that during which the meter or house regulator was removed unless reused in the interim.

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

D. When a meter or house regulator installation previously retired in accordance with paragraph B is reused, the amount previously credited to this account on retirement shall be charged hereto and concurrently credited to account 1250, Reserve for Depreciation of Utility Plant. Any installation costs incurred at the time of reuse shall be charged to account 1763, Labor on Customers' Premises.

ITEMS

1. Cocks
2. House regulators
3. Meter bars
4. Meters, including badging and initial testing
5. Pipe and fittings
6. Regulator vents
7. Seals
8. Shelves
9. Swivels and bushings

Note A: This account shall not include meters for recording the output of a production plant, gathering system, etc. It includes only those meters for use in recording gas delivered to customers.

Note B: The cost of removing and resetting meters and house regulators shall be charged to account 1763, Labor on Customers' Premises.

Note C: The utility shall keep statistical records to show separately the number of meter installations the cost of which is included herein, and the number of meter installations which prior to the effective date of this system of accounts was charged to operating expenses.

Note D: Minor items such as meter badges and their attachments shall be included in this account only when in service or associated with a meter held in reserve; otherwise they shall be carried in account 1131, Materials and Supplies.

Note E: Charges made to customers for connection, disconnection or reconnection of meters shall be credited to account 1615, Miscellaneous Gas Revenues.

D C 1367. Installations on Customers' Premises

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include equipment leased to customers. (See account 1368, Leased Property on Customers' Premises.)

D C 1368. Leased Property on Customers' Premises

This account shall include the cost of water heaters, space heaters and other equipment on customers' premises (including municipal corporations), leased to customers, but not including property held for sale.

Note A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expense account 1763, Labor on Customers' Premises.

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

D C 1369. Street Lighting Equipment

This account shall include the cost installed of property used solely for street lighting.

ITEMS

1. Anti-freezers
2. Burners and burner regulators
3. Excavation, including shoring, bracing, bridging, pumping, backfill and disposal of excess excavated material
4. Lamp posts
5. Lamps
6. Lamp services and risers
7. Municipal inspection
8. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks
9. Permits
10. Protection of street openings

GENERAL PLANT

D C 1370. Land and Land Rights

This account shall include the cost of land and land rights used for gas plant purposes, the cost of which is not properly includible in other land and land rights accounts. (See gas plant instruction § 322.4.)

D C 1371. Structures and Improvements

This account shall include the cost in place of structures and improvements used for gas plant purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction § 322.5.)

D C 1372. 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 gas 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.

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, etc.
3. Drafting room equipment
4. Filing, storage, and other cabinets
5. Floor covering
6. Library and library equipment
7. Mechanical office equipment such as accounting machines, typewriters, etc.
8. Safes
9. Tables

D C 1373. Transportation Equipment

This account shall include the cost of transportation and garage equipment when such equipment is not an integral part of the housing structure. This account shall be subdivided as follows:

1373.1 Vehicles

1373.2 Garage and Repair Equipment

ITEMS

1. Automobile repair shop equipment
2. Automobiles
3. Battery charging equipment
4. Bicycles
5. Drays
6. Electric vehicles
7. Gasoline and oil pumps (portable)
8. Gasoline storage tanks
9. Greasing tools and equipment
10. Horses, wagons and harness
11. Horseshoeing equipment
12. Marine equipment
13. Motorcycles
14. Motor trucks
15. Oil storage tanks
16. Repair cars or trucks
17. Tractors
18. Trailers
19. Trucks
20. Other garage or stable equipment

Note: Office furniture and equipment shall be included in account 1372, Office Furniture and Equipment.

D C 1379. Other General Equipment

This account shall include the cost installed of the following equipment:

(1) Equipment used for the receiving, shipping, handling and storage of materials and supplies when not an integral part of the housing structure

(2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure

(3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts

(4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts

(5) Other general equipment, apparatus, etc., used in the utility's gas operations, and which is not includible in any other account

Note A: General equipment of the nature indicated above whenever practicable shall be assigned to the gas plant accounts on a functional basis. Thus, to illustrate, laboratory equipment used at the production plant only, shall be included in accounts 1317-1330 as applicable.

Note B: Office furniture and equipment shall be included in account 1372, Office Furniture and Equipment.

D C 1390. Other Tangible Property

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

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

SURPLUS ACCOUNTS

CREDITS

D C 1400. Credit Balance Transferred from Income Account

D C 1401. Miscellaneous Credits to Surplus

DEBITS

D C 1410. Debit Balance Transferred from Income Account

D C 1411. Dividend Appropriations--Preferred Stock

D C 1412. Dividend Appropriations--Common Stock

D C 1413. Miscellaneous Reservations of Surplus

D C 1414. Miscellaneous Debits to Surplus

Note: Total of surplus accounts to be carried as balance sheet account 1271.

CREDITS

D C 1400. Credit Balance Transferred from Income Account

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

D C 1401. Miscellaneous Credits to Surplus

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

(1) Credits for amounts previously written off through charges to surplus

(2) Delayed income, operating revenue, and operating expense credits as provided in general instruction section 321.4

(3) Profits on reacquirement of the utility's securities (See accounts 1152 and 1153.)

(4) Surplus arising from donations by stockholders of the utility's capital stock

(5) Surplus arising from a reduction of the par value of the utility's capital stock

(6) Surplus arising from forgiveness of debt of the utility

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

D C 1410. Debit Balance Transferred from Income Account

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

D C 1411. Dividend Appropriations--Preferred Stock

D C 1412. Dividend Appropriations--Common Stock

A. These accounts shall include amounts declared payable out of surplus or earnings as dividends on outstanding capital stock issued by the utility.

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

C. This account shall be so kept or supported as to show separately the dividends on each class and series of stock.

D C 1413. 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.

D C 1414. Miscellaneous Debits to Surplus

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

- (1) Amounts charged to surplus to cover past accrued depreciation and amortization not provided for
- (2) Decline in value of investments (See account 1114.)
- (3) Delayed income, operating revenue, and operating expense debits as provided in general instruction section 321.4
- (4) Payments of amounts previously credited to surplus
- (5) Losses on requirement of the utility's securities (See accounts 1152 and 1153.)
- (6) Losses which are not properly chargeable to operating expenses or income and for which reserves have not been provided

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 charges relate to prior years, the amount applicable to each year shall be shown.

INCOME ACCOUNTS

Note: The income accounts (1501 to 1540) are designed to show for each month and each calendar year the operating revenues and expenses, the other income, the income deductions, the net income, the miscellaneous reservations of net income and the amount of income or less remaining for transfer to surplus.

UTILITY OPERATING INCOME

GAS OPERATING INCOME

Operating Revenue

D C 1501. Operating Revenues (subdivided into accounts 1600-1615) Operating Revenue Deductions

D C 1502. Operation and Maintenance (subdivided into accounts 1700-1811)

D C 1503. Depreciation

Total Operating Expenses

D C 1505. Amortization of Gas Plant Acquisition Adjustments

D C 1506. Property Losses Chargeable to Operations

D C 1507. Operating Taxes
Total Operating Revenue Deductions
Net Operating Revenue

D C 1508. Income from Gas Plant Leased to Others
Gas Operating Income
Other Utility Operating Income

D C 1509. Other Utility Operating Income
Total Utility Operating Income

OTHER INCOME

D C 1521. Income from Non-utility Operations
D C 1523. Dividend Revenues
D C 1524. Interest Revenues
D C 1526. Miscellaneous Non-operating Income
Total Other Income
Gross Income

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt
D C 1531. Amortization of Debt Discount and Expense
D C 1532. Amortization of Premium on Debt--Credit
D C 1534. Interest on Debt to Associated Companies
D C 1535. Other Interest Charges
D C 1536. Interest Charged to Construction--Credit
D C 1538. Miscellaneous Income Deductions
D C 1539. Income Taxes
Total Income Deductions
Net Income

DISPOSITION OF NET INCOME

D C 1540. Miscellaneous Reservations of Net Income
Balance Transferred to Surplus

UTILITY OPERATING INCOME

D C 1501. Operating Revenues

Under this caption shall be included the total operating revenues credited to the revenue accounts 1600 to 1615, derived by the utility from its gas operations during the period covered by the income account.

D C 1502. Operation and Maintenance

Under this caption shall be included the total expenses shown in accounts 1700 to 1811, incurred by the utility in its gas operations during the period covered by the income account.

D C 1503. Depreciation

A. This account shall include the depreciation expense applicable to gas operations, on plant carried in accounts 1101 and 1106 for the period covered by the income account, except such depreciation expense as is charged to clearing accounts or to construction work in progress.

B. Class C utilities shall keep supporting records to show the amount of depreciation charges applicable to each gas plant account.

D C 1505. Amortization of Gas Plant Acquisition Adjustments

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 extinguishing of the amount in account 1105, Gas Plant Acquisition Adjustments. Account 1252, Reserve for Amortization of Gas Plant Acquisition Adjustments, shall be concurrently credited or debited.

D C 1506. Property Losses Chargeable to Operations

This account shall be charged with amounts credited to account 1146, Miscellaneous Deferred Debits, when the commission has authorized an extraordinary loss included in the latter account to be written off by charges to operations.

D C 1507. 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 gas operations, and except taxes includible in account 1789, Merchandising, Jobbing and Contract Work, or in clearing accounts. (See account 1228, Taxes Accrued.)

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 1228, Taxes Accrued. (See also account 1132, Prepayments.)

C. Taxes assumed by the utility on property leased from others for use in gas operations shall be considered as additional rent and so charged.

D. This account shall be so kept as to show the amount of each kind of tax, and the basis upon which each charge is made.

Note: The following items shall not be charged to this account but shall be treated as specified below:

(1) Gasoline or other sales taxes shall be added to the cost of the materials on which levied

(2) Taxes chargeable to other utility operations shall be assigned to such operations: taxes applicable to non-utility operations shall be charged to account 1521, Income from Non-utility Operations

(3) Annual or more frequent payments under the terms of franchise, shall be included in account 1805, Franchise Requirements

(4) Special assessments for street and similar improvements shall be included in the gas plant account in which the property with which the taxes are identified is included

(5) Taxes applicable to gas construction shall be charged to account 1103, Construction Work in Progress; taxes on labor charged to cost of removal shall be charged to account 1250, Reserve for Depreciation of Utility Plant

(6) Taxes on net income, excess profits, undivided profits, excess dividends, or capital stock, shall be charged to account 1539, Income Taxes

D C 1508. Income from Gas Plant Leased to Others

A. This account shall include all rental income from gas property leased by the utility to others, and which property is included in account 1102, Gas Plant Leased to Others.

B. This account shall be subdivided as follows:

1508.1 Revenues from Gas Plant Leased to Others

1508.2 Expenses of Gas 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

D C 1509. Other Utility Operating Income

Under this caption shall be included (1) the revenues derived from and (2) operation and maintenance, depreciation, rents and taxes incurred in the operation of utility plant, the book cost of which is included in account 1108, Other Utility Plant.

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

OTHER INCOME

D C 1521. Income from Non-utility Operations

A. This account shall include the revenues derived 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, insurance, etc.

D C 1523. Dividend Revenues

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

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

D C 1524. Interest Revenues

This account shall include interest revenues on investments, loans, notes, advances, special deposits, etc.

D C 1526. Miscellaneous Non-operating Income

This account shall include all revenue items properly includible in the income account other than from operations (utility and non-utility), interest, or dividends. It shall also include all expenses incurred in connection with such revenues.

INCOME DEDUCTIONS

D C 1530. Interest on Long-term Debt

A. This account shall include in each accounting period the amount of interest applicable thereto on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 1210, Bonds, account 1211, Receivers' Certificates, or account 1213, Miscellaneous Long-term Debt. No interest shall be accrued on reacquired debt carried in account 1153, Reacquired Long-term Debt.

B. Amounts charged to this account shall be credited to account 1229, Interest Accrued.

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

D C 1531. Amortization of Debt Discount and Expense

This account shall include in each accounting period the portion of unextinguished debt discount and expense on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1140, Unamortized Debt Discount and Expense, to which account concurrent credit shall be made.

D C 1532. Amortization of Premium on Debt--Credit

This account shall include in each accounting period the portion of unextinguished premium (or premium less expenses, when a net credit) on outstanding long-term debt which is applicable to such period. The amount shall be computed as provided in account 1240, Unamortized Premium on Debt, to which account concurrent debit shall be made.

D C 1534. Interest on Debt to Associated Companies

A. This account shall include in each accounting period interest on debt to associated companies and shall be so kept as to show the amount of interest on each such debt.

B. Amounts charged to this account shall be credited to account 1214, Debts to Associated Companies.

D C 1535. Other Interest Charges

This account shall include in each accounting period all interest not provided for in account 1530 or 1534, and shall be so kept as to show the amount of interest charges on each debt.

D C 1536. Interest Charged to Construction--Credit

When interest is charged to construction in accordance with gas plant instruction, paragraph (7) of subdivision (a) of section 322.3, concurrent credit shall be made to this account.

D C 1538. Miscellaneous Income Deductions

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

ITEMS

1. Decline in value of investments

2. Donations

3. Expenditures for associated companies for which the utility will not be reimbursed

4. Charges not includible in account 1505, Amortization of Gas Plant Acquisition Adjustments, to write off amounts in account 1105, Gas Plant Acquisition Adjustments, and other items being written off which are not elsewhere provided for

5. Penalties or fines for violations of law

6. Expenses in connection with interest and dividend revenues

7. Taxes assumed on interest

D C 1539. Income Taxes

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

DISPOSITION OF NET INCOME

D C 1540. 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 a court, 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.

OPERATING REVENUE ACCOUNTS

SALES OF GAS

D C 1600. Residential Sales

D C 1602. Commercial and Industrial Sales

D C 1603. Public Street and Highway Lighting

D C 1604. Other Sales to Public Authorities

D C 1605. Sales to Other Gas Utilities

D C 1607. Interdepartmental Sales

D C 1608. Other Sales

OTHER GAS REVENUES

D C 1610. Rent from Gas Operating Property

D C 1612. Customers' Forfeited Discounts

D C 1614. Servicing of Customers' Installations

D C 1615. Miscellaneous Gas Revenues

SALES OF GAS

D C 1600. Residential Sales

A. This account shall include revenues from gas supplied to residential customers, and to religious bodies.

B. When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or in account 1602, Commercial and Industrial Sales, according to the principal use.

D C 1602. Commercial and Industrial Sales

A. This account shall include revenues from gas supplied for commercial and industrial purposes.

B. When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 1600, Residential Sales, according to the principal use.

D C 1603. Public Street and Highway Lighting

This account shall include revenues from gas supplied and services rendered for the purpose of lighting streets, highways, parks and other public places for municipalities or othe* divisions or agencies of state or federal governments.

So in original. "othe" should be "other"

D C 1604. Other Sales to Public Authorities

This account shall include the revenues from gas supplied to municipalities or divisions or agencies of Federal or State governments, under special contracts or agreements or service classifications applicable only to public authorities, except such revenues as are includible in accounts 1603 and 1605.

D C 1605. Sales to Other Gas Utilities

A. This account shall include revenues from gas supplied to other gas utilities or to public authorities for distribution to others. (See also account 1755, Gas Purchased.)

B. Revenues from gas supplied to other public utilities for use by them and not for distribution shall be included in account 1602, Commercial and Industrial 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 gas is delivered to a utility at more than one point, like detail shall be furnished for each point of delivery.

D C 1607. Interdepartmental Sales

A. This account shall include the total amounts charged to other departments of the utility by the gas department for gas supplied by the latter.

B. The utility shall be prepared to furnish the basis and the computations of the charges to other departments.

D C 1608. Other Sales

This account shall include revenues derived from gas supplied users and which are not properly includible in revenue accounts 1600 to 1607, inclusive.

OTHER GAS REVENUES

D C 1610. Rent from Gas Operating Property

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

B. This account shall be so kept as to show the nature of the property for which rent was received and the basis of the charges for the use thereof.

Note: Do not include in this account rents from property included in account 1102, Gas Plant Leased to Others. (See account 1508, Income from Gas Plant Leased to Others.)

D C 1612. Customers' Forfeited Discounts

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

D C 1614. 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.

D C 1615. Miscellaneous Gas Revenues

This account shall include revenues derived from gas 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 unused materials and supplies not ordinarily purchased for resale, commissions on sales or distribution of others' gas (sold under rates filed by such others), management or supervision fees, sale of steam (except when the utility furnishes steam-heating service), revenues from transmitting gas of others, and rentals from property included in account 1368, Leased Property on Customers' Premises.

OPERATION AND MAINTENANCE ACCOUNTS

Note: If the utility produces gas by more than one process or in two or more plants, separate production expense accounts shall be kept for each process or plant.

PRODUCTION EXPENSES

MANUFACTURED GAS PRODUCTION

D 1700. Supervision and Labor

C 1701. Supervision

C 1702. Operation Labor

C 1703. Maintenance Labor

D 1710. Fuel

C 1711. Boiler Fuel

C 1712. Coal Gas Fuel

C 1713. Coal Carbonized

C 1714. Water Gas Generator Fuel

D C 1716. Oil and Enriching Materials

D C 1718. Liquefied Petroleum Gas

D C 1719. Raw Materials for Other Gas Processes

D C 1720. Miscellaneous Works Supplies and Expenses

D C 1724. Maintenance Materials and Expenses

D C 1725. Rents

D C 1726. Residuals-Produced Credit

D C 1727. Residuals Expense

D C 1728. Steam Produced--Credit

NATURAL GAS PRODUCTION

D 1730. Supervision and Labor

C 1731. Supervision

C 1732. Operation Labor

C 1733. Maintenance Labor

D 1740. Materials, Supplies and Expenses

C 1741. Operation Supplies and Expenses

C 1742. Maintenance Materials and Expenses

D C 1746. Gas Well Royalties and Rents

D C 1747. Rents for Unoperated Leases

D C 1748. Other Natural Gas Rents

D C 1749. Non-productive Well Drilling Expenses

D C 1750. Residuals Produced--Credit

D C 1751. Residuals Expense

D C 1752. Natural Gas Production--Credit

MISCELLANEOUS PRODUCTION

D C 1755. Gas Purchased

D C 1756. Other Production Expenses

TRANSMISSION AND DISTRIBUTION EXPENSES

D 1760. Supervision and Labor

C 1761. Supervision

C 1762. Operation Labor

C 1763. Labor on Customers' Premises

C 1764. Maintenance Labor

C 1765. Street Lighting Labor

D 1770. Materials, Supplies and Expenses

C 1771. Operation Supplies and Expenses

C 1772. Maintenance Materials, Supplies and Expenses

C 1773. Street Lighting Materials, Supplies and Expenses

D C 1776. Rents

D C 1777. Miscellaneous Expenses

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

- D 1780. Meter Reading, Accounting and Collecting
- C 1781. Meter Reading
- C 1782. Accounting and Collecting
- D C 1783. Uncollectible Accounts
- D C 1784. Rents

SALES PROMOTION EXPENSES

- D C 1786. Sales Expenses
- D C 1789. Merchandising, Jobbing and Contract Work

ADMINISTRATIVE AND GENERAL EXPENSES

- D C 1790. Salaries of General Officers
- D C 1791. Other General Office Salaries
- D C 1793. General Office Expenses
- D 1795. Special Services
- C 1795.1. Management and Supervision
- C 1795.2. Legal Services
- C 1795.3. Other Special Services
- D C 1797. Regulatory Commission Expenses
- D C 1798. Insurance, Injuries and Damages
- D C 1800. Other General Expenses
- D C 1802. Operation and Maintenance of General Property
- D C 1803. General Rents
- D C 1805. Franchise Requirements
- D C 1806. Duplicate Charges--CreditD C 1807. Administrative and General Expenses Transferred--Credit
- D C 1808. Joint Expenses--Debit
- D C 1809. Joint Expenses--Credit
- D C 1810. Stores, Shop and Laboratory Expenses
- D C 1811. Transportation Expenses

PRODUCTION EXPENSES

MANUFACTURED GAS PRODUCTION

Note: If the utility manufactures gas by more than one process or in two or more plants, separate production expense accounts shall be kept for each process or plant.

- D 1700. Supervision and Labor

This account shall include items provided for in accounts 1701, 1702 and 1703.

- C 1701. Supervision

This account shall include the cost of supervising and directing the operation and maintenance of the production plant.

C 1702. Operation Labor

This account shall include the pay of employees for the time during which they are engaged in operating the production plant.

C 1703. Maintenance Labor

This account shall include the pay of employees or others for the time during which they are engaged in making repairs to the production plant. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see gas plant instruction § 322.2, subd. (c)), testing for, locating and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property. "

D 1710. Fuel

This account shall include items provided for in accounts 1711, 1712, 1713 and 1714.

C 1711. Boiler Fuel

A. This account shall include the cost delivered at works of coal, oil, gas, or other fuel used in the production of steam. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be kept to show the quantity and the cost of each type of fuel used.

C 1712. Coal Gas Fuel

A. This account shall include the cost delivered at works of fuel used under retorts or under coke ovens, but not the cost of fuel used for making steam or coal carbonized in retorts or in coke ovens; it shall also include the cost of producer gas used in making coal gas.

B. If coke produced by the company is used under boilers, the accounting shall be as provided in account 1726, Residuals Produced--Credit; if natural gas produced by the utility is used for fuel under retorts or under coke ovens, this account shall be charged with concurrent credit to account 1752, Natural Gas Production--Credit.

C. This account shall include the net cost of, or the net amount realized from, the disposal of ashes.

D. Records shall be kept to show the quantity and the cost of each type of fuel used.

C 1713. Coal Carbonized

A. This account shall include the cost delivered at works of coal used in retorts or in coke ovens for making coal gas.

B. Records shall be kept to show the quantity and the cost of each type of coal used.

C 1714. Water Gas Generator Fuel

A. This account shall include the cost delivered at works of fuel used in water gas generators, including fuel used for reforming gas by means of water gas generators. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be kept to show the quantity and the cost of each type of fuel used.

D C 1716. Oil and Enriching Materials

This account shall include the cost delivered at works of oil used in carbureting and materials used for enriching water gas.

D C 1718. Liquefied Petroleum Gas

A. This account shall include the cost delivered at works of liquefied petroleum gas, such as propane, butane, or gasoline, used in making gas.

B. Records shall be kept to show the quantity and the cost of liquefied petroleum gas used.

D C 1719. Raw Materials for Other Gas Processes

A. This account shall include the cost delivered at works of raw materials and fuel used in the production of any kind of gas other than coal gas, water gas, liquefied petroleum gas or natural gas.

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

D C 1720. Miscellaneous Works Supplies and Expenses

This account shall include the cost of supplies used and expenses incurred in connection with the production of manufactured gas not includible in the preceding production accounts.

ITEMS

1. Lubricants
2. Packing
3. Power or steam purchased
4. Purification supplies
5. Tools, hand
6. Waste
7. Water

D C 1724. Maintenance Materials and Expenses

This account shall include materials and supplies used and expenses incurred in repairing and maintaining the manufactured gas production plant.

ITEMS

1. Bills from others for repairs, inspection, adjustment or other maintenance of production plant structures or equipment

2. Materials and supplies used in making repairs or in replacing, minor items of property (See gas plant instruction § 322.2, subd. (c)).

3. Minor items added to plant

4. Transportation, shop and stores expenses, if clearing accounts are used

Note: Materials recovered in connection with repair and maintenance work which is charged to this account, shall be credited hereto; repairing such materials for reuse shall be charged hereto.

D C 1725. Rents

A. This account shall include all rents for property of others used, occupied, or operated in connection with the production of manufactured gas. Taxes paid on such property shall be charged hereto.

B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is sub-leased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

D C 1726. Residuals Produced--Credit

A. This account shall be credited and account 1131, Materials and Supplies, debited in each accounting period with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting account 1131, Materials and Supplies, with the difference.

C. Records shall be so kept as to show for each type of residual or other by product the quantity produced and the amount at which charged to account 1131, Material and Supplies; the quantity sold and the price received therefor; and the quantity and value of residuals used.

D C 1727. Residuals Expense

A. This account shall include all expenses incurred in handling, preparing and marketing residuals produced in manufactured gas production processes, including uncollectible residual accounts.

B. This account shall be so kept as to show the amount of expense applicable to each type of residual.

D C 1728. Steam Produced--Credit

This account shall include credits for steam produced in the manufactured gas department and transferred to another operating department of the utility, or used in gas operations other than the production of manufactured gas, except when such steam production is treated as a joint facility, in which case the accounting shall be as provided in accounts 1808-1809.

Note: The utility shall keep records to show the basis for determining the amounts to be credited to this account.

NATURAL GAS PRODUCTION

Note: If the utility operates in two or more fields, separate production expense accounts shall be kept for each field.

D 1730. Supervision and Labor

This account shall include items provided for in accounts 1731, 1732 and 1733.

C 1731. Supervision

This account shall include the cost of supervising and directing the operation and maintenance of natural gas production facilities.

C 1732. Operation Labor

This account shall include the pay of employees for the time during which they are engaged in the operation of gas wells, gathering lines, field measuring and regulating stations, and purification facilities.

C 1733. Maintenance Labor

This account shall include the pay of employees or others for the time during which they are engaged in making repairs to the natural gas wells, gathering lines and equipment, purification facilities, field measuring and regulating stations, and drilling and cleaning equipment. This includes, in addition to labor on actual repairs, such work as routine inspection and testing, replacing or adding minor items of plant (see gas plant instruction § 322. 2, subd. (c)), testing for, locating and clearing trouble, restoring the condition of damaged property, etc., but not replacing items of property designated as "units of property. "

D 1740. Materials, Supplies and Expenses

This account shall include items provided for in accounts 1741 and 1742.

C 1741. Operation Supplies and Expenses

This account shall include the cost of all supplies, tools, etc., used, and miscellaneous expenses incurred, in the production and purification of natural gas, but not repair materials, parts, etc.

ITEMS

- | | |
|------------------------------|---------------------------------|
| 1. Fuel | 7. Pressure charts and supplies |
| 2. Lubricants | 8. Purification supplies |
| 3. Meter charts and supplies | 9. Tools, hand |
| 4. Odorizing material | 10. Transportation |
| 5. Oil for oil fogging | 11. Traveling expenses |
| 6. Power | 12. Waste |

C 1742. Maintenance Materials and Expenses

This account shall include materials and supplies used and expenses incurred in repairing and maintaining the natural gas wells, gathering lines and equipment, purification facilities, field measuring and regulating stations, and drilling and cleaning equipment.

ITEMS

1. Bills from others for repairs, inspection, adjustment or other maintenance of natural gas structures or equipment
2. Materials and supplies used in making repairs or in replacing minor items of property (See gas plant instruction § 322.2, subd. (c).)
3. Minor items added to plant
4. Transportation, shop and stores expenses, if clearing accounts are used

Note: Materials recovered in connection with repair and maintenance work which is charged to this account shall be credited hereto; repairing such materials for reuse shall be charged hereto.

D C 1746. Gas Well Royalties and Rents

A. This account shall include royalties paid for natural gas produced by the utility from land owned by others; also rents includible in operating expenses for operated gas wells or land. (See note B to account 1104.)

B. Records supporting the entries to this account shall be so kept that the utility can furnish the names of the parties to each contract involving royalties or rents, the terms of each contract, the location of the property involved, the method of determining the royalties or rents, and the amounts payable.

D C 1747. Rents for Unoperated Leases

This account shall include rents for the lease of gas lands or rights which are necessary to protect the supply of gas for operated wells.

Note: Amounts paid as rentals for land or rights held to insure a future supply of natural gas shall be charged to account 1526, Miscellaneous Non-operating Income, except as provided in note B to account 1104.

D C 1748. Other Natural Gas Rents

This account shall include rents includible in operating expenses for property of others used in connection with the production of natural gas not includible in the foregoing accounts. (See also gas plant instruction § 322.8.)

ITEMS

1. Rents for right to lay and maintain field lines
2. Rents for measuring and regulating station sites on production system

D C 1749. Non-productive Well Drilling Expenses

This account shall include the costs incurred in drilling non-productive wells at producing gas fields. (See general instruction § 321.4.)

Note: The costs incurred in drilling non-productive wells at a field where the utility has no producing wells shall be charged to account 1538, Miscellaneous Income Deductions, or to account 1414, Miscellaneous Debits to Surplus, unless the commission shall approve some other procedure for accounting for such costs.

D C 1750. Residuals Produced--Credit

A. This account shall be credited and account 1131, Materials and Supplies, debited in each accounting period with the estimated value of residuals and other by-products obtained in connection with the production of natural gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting account 1131, Materials and Supplies, with the difference.

C. Records shall be so kept as to show for each type of residual or other by-product the quantity produced and the amount at which charged to account 1131, Materials and Supplies; the quantity sold and the price received therefor; and the quantity and value of residuals used.

D C 1751. Residuals Expense

A. This account shall include all expenses incurred in handling, preparing and marketing residuals produced in natural gas production processes, including uncollectible residual accounts.

B. This account shall be so kept as to show the amount of expense applicable to each type of residual.

D C 1752. Natural Gas Production--Credit

This account shall be credited with the cost of natural gas which is produced by the utility and which is used in manufactured gas production and charged to account 1712, Coal Gas Fuel. This account shall also be credited with the cost of natural gas produced by the utility and used in gas well construction. The cost to be so accounted for shall include amounts charged in accounts 1730 to 1751, inclusive, and account 1503.

MISCELLANEOUS PRODUCTION

D C 1755. Gas Purchased

A. This account shall include the cost at the point of delivery to the utility of all gas purchased for resale, including charges for readiness to serve. This includes gas purchased for reforming.

B. When the contract is a reciprocal one, i.e., when either party thereto may take gas from the other, the amount payable for the gross quantity of gas received shall be charged hereto in each accounting period and the amount receivable for the gross quantity supplied to the other party shall be included in the appropriate revenue account.

C. The records supporting the entries to this account shall be so kept as to show for each company from which gas is obtained the type of gas, the point of delivery, the quantity thereof, the basis of the charges, and the amount payable therefor.

D C 1756. Other Production Expenses

A. This account shall include any production expenses, including expenses incurred directly in connection with the purchase or storage of gas, which are not provided for in other production expense accounts.

B. This account shall also include, in a separate subdivision thereof, amounts debited or credited to reflect the decrease or increase in the cost of gas in storage at the end of the accounting period. However, if the variation in the cost of gas in storage is negligible in amount, such entries need not be made.

TRANSMISSION AND DISTRIBUTION EXPENSES

D 1760. Supervision and Labor

This account shall include items provided for in accounts 1761 to 1765.

C 1761. Supervision

This account shall include the cost of supervising and directing the operation and maintenance of the transmission and distribution systems.

C 1762. Operation Labor

This account shall include the pay of employees for the time during which they are engaged in operating the transmission and distribution systems, except labor on work on customers' premises (chargeable to account 1763) and labor on street lighting (chargeable to account 1765). (See also note hereunder.)

ITEMS

1. Attending gates and valves
2. Keeping maps and other transmission and distribution operating records

3. Labor, mixing gas
4. Operating holder valves
5. Patrolling
6. Pressure, recording of
7. Pumping drips
8. Recording holder readings

Note: Maintenance labor shall be included in account 1764 or 1765, as appropriate.

C 1763. Labor on Customers' Premises

This account shall include the pay of employees for the time during which they are engaged in inspecting, testing, repairing, removing and resetting or changing the location of meters or house regulators and accessory equipment located on customers' premises, investigating service complaints, adjustments in connection with changes in B.t.u. content, pressure, and other work on customers' premises.

Note: The cost of the first installation at a location of a meter or house regulator shall not be charged to this account but to gas plant account 1366, Meters and House Regulators.

C 1764. Maintenance Labor

This account shall include the pay of employees engaged in repairing and maintaining transmission and distribution facilities, including holders located on the transmission or distribution lines, but not meters or street lighting systems.

ITEMS

1. Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs
2. Inspecting and testing after repairs have been made
3. Inspecting, testing and reporting on the condition of mains, services, and holders on lines, to determine the need for repairs, minor replacements and changes
4. Replacing or adding minor items of plant (See gas plant instruction § 322.2, subd. (c).)
5. Repairing materials for reuse
6. Restoring the condition of damaged mains, services and holders on lines (See note B, below.)
7. Routine work to prevent trouble
8. Testing for, locating, and clearing trouble
9. Training employees for maintenance work

Note A: Meter repair labor shall be included in account 1763; street lighting repair labor shall be included in account 1765.

Note B: The cost of maintenance does not include cost of replacing items of property designated as "units of property. "

C 1765. Street Lighting Labor

This account shall include the pay of employees for the time during which they are engaged in work on the street lighting systems.

ITEMS

1. Cleaning fixtures
2. Recording pressure
3. Renewing lights

4. Repairs to system
5. Restoring the condition of damaged property (See note below.)

6. Routine inspection and tests

7. Testing for and clearing trouble

Note: The cost of maintenance does not include cost of replacing items of property designated as "units of property."

D 1770. Materials, Supplies and Expenses

This account shall include items provided for in accounts 1771, 1772 and 1773.

C 1771. Operation Supplies and Expenses

This account shall include the cost of all supplies, tools, etc., used and miscellaneous expenses incurred in operating the transmission and distribution systems, excepting materials, supplies and expenses used in maintenance and on the street lighting systems.

Note: All materials and supplies used and expenses incurred on street lighting systems are chargeable to account 1773, Street Lighting Materials, Supplies and Expenses; maintenance materials and supplies used and expenses incurred on other transmission and distribution property are chargeable to account 1772, Maintenance Materials, Supplies and Expenses.

C 1772. Maintenance Materials, Supplies and Expenses

This account shall include the cost of materials and supplies used and expenses incurred in repairing and maintaining transmission and distribution system property (excepting the street lighting systems), but including materials and supplies used and expenses incurred in work on customers' premises.

ITEMS

1. Meter repair materials

2. Paving repair materials

3. Replacing or adding minor items of property (See gas plant instruction § 322.2, subd. (c).)

4. Transportation, shop and stores expenses, if clearing accounts are used

5. Work done by others

C 1773. Street Lighting Materials, Supplies and Expenses

This account shall include the cost of materials and supplies used and expenses incurred in operating, repairing and maintaining the street lighting systems. This includes, in addition to materials and supplies used on repairs to street lighting property, such items as lamps, glassware, etc., but does not include the cost of replacing items designated as "units of property."

D C 1776. Rents

A. This account shall include all rents for property of others used, occupied, or operated in connection with the transmission or distribution system. Taxes paid on such property shall be charged hereto. (See also gas plant instruction § 322.8.)

B. If the leased property is used by more than one department of the utility; the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

D C 1777. Miscellaneous Expenses

This account shall include transmission and distribution expenses not elsewhere provided for, including amounts payable to others for transmission of gas.

CUSTOMERS' ACCOUNTING AND COLLECTING EXPENSES

D 1780. Meter Reading, Accounting and Collecting

This account shall include items provided for in accounts 1781 and 1782.

C 1781. Meter Reading

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

ITEMS

1. Badges
2. Forms for recording readings
3. Lamps
4. Meter readers, pay of
5. Transportation
6. Uniforms

C 1782. Accounting and Collecting

This account shall include the pay and expenses of employees engaged on customers' applications, contracts, orders, complaints, and inquiries, and in making credit investigations, billing, collecting customers' bills, and bookkeeping; and the cost of supplies used and expenses incurred in connection therewith.

ITEMS

1. Accounts, customers', keeping of
2. Address plates
3. Billing
4. Bookkeeping
5. Books
6. Cashier, pay of
7. Commissions, fees, or salaries of collectors
8. Delivery of bills
9. Disconnection for non-payment of bills
10. Office supplies
11. Postage
12. Stationery and printing
13. Statistical work on customers' accounts
14. Tabulating sales
15. Transportation

D C 1783. Uncollectible Accounts

This account shall be charged each month with amounts sufficient to provide for losses from uncollectible gas revenues. Concurrent credits shall be made to account 1254, Reserve for Uncollectible Accounts. Losses from uncollectible accounts shall be charged to such reserve.

D C 1784. Rents

A. This account shall include rents for property of others used, occupied, or operated in connection with customers' accounting and collecting, such as for a commercial office. Taxes paid on such property shall be charged hereto. (See also gas plant instruction § 322.8.)

B. If the leased property is used by more than one department of the utility, the rents (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is subleased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

Note: If the commercial office and the general office occupy space jointly, and the allocation of the rental to each office is not practicable, the entire amount for office rental may be included in account 1803, General Rents.

SALES PROMOTION EXPENSES

D C 1786. Sales Expenses

This account shall include the cost of labor employed and expenses incurred for the purpose of promoting the sale of gas, other than merchandising, jobbing or contract work activities.

ITEMS

1. Advertising
2. Demonstrating use of appliances
3. Salaries and commissions of solicitors

D C 1789. 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 gas 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:

1789.1 Revenues from Merchandising, Jobbing and Contract Work

1789.2 Cost of Merchandising, Jobbing and Contract Work

ADMINISTRATIVE AND GENERAL EXPENSES

D C 1790. Salaries of General Officers

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

Note: Directors' fees, even though paid to officers, shall be charged to account 1800, Other General Expenses.

D C 1791. Other General Office Salaries

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

D C 1793. General Office Expenses

This account shall include the expenses of general officers and general office employees, and the cost of office supplies and office expenses in connection with the general administrative functions of the utility's gas operations.

ITEMS

1. Books and periodicals for office use
2. Building service (not including rent)
3. Meals and hotel bills

4. Membership fees and dues in trade, technical and professional associations
5. Office supplies
6. Postage
7. Printing
8. Stationery
9. Telephone, telegrams, etc.
10. Traveling expenses

D 1795. Special Services

A. 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 gas department for general supervision and management services and expenses, and for legal and other special services and expenses.

ITEMS1. Service:

- (a) Auditing and accounting
- (b) Legal
- (c) Management
- (d) Rates
- (e) Secretarial
- (f) Statistical
- (g) Supervisory

2. Expenses:

- (a) Hotel
- (b) Meals
- (c) Printing
- (d) Stationery
- (e) Traveling

B. Class C utilities shall subdivide this account as follows:

C 1795.1 Management and Supervision

C 1795.2 Legal Services

C 1795.3 Other Special Services

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

Note A: Legal or other special services in connection with formal cases before regulatory commissions, or in cases in which such a commission is a party, shall be charged to account 1797, Regulatory Commission Expenses, or when specifically applicable to injury or damage cases to account 1798, Insurance, Injuries and Damages, or other appropriate account.

Note B: Legal or other special services incident to the construction of gas property shall be charged to the appropriate utility plant accounts. Legal services incident to the issuance of long-term debt or capital stock shall be charged to account 1140, Unamortized Debt Discount and Expense, account 1240, Unamortized Premium on Debt, or account 1151, Capital Stock Expense, as appropriate.

D C 1797. Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work), properly includible in gas 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 regulatory 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 1146, Miscellaneous Deferred Debits, and amortized by charges to this account. (See general instruction § 321.4.)

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

D. The costs which may be partly chargeable to this account and partly to the other accounts enumerated in notes A and B to account 1795 shall be equitably apportioned, and the basis of allocation to the several accounts shall be submitted to this 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 construction of gas property, which are chargeable to the tangible gas plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in paragraph D of account 1106, Unclassified Gas Plant. Costs incurred incident to the issuance of longterm debt shall be charged to account 1140, Unamortized Debt Discount and Expense, or account 1240, Unamortized Premium on Debt, as applicable; costs incurred incident to the issuance of capital stock shall be charged to account 1151, Capital Stock Expense.

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.

D C 1798. Insurance, Injuries and Damages

A. This account shall include the cost of insurance to protect the utility against the following losses and damages:

(1) Losses and damages to owned or leased property used in its gas operations such as by fire, storm, burglary, boiler explosion, lightning, etc.

(2) Protection against claims for injuries or deaths to employees or others, or damages to the property of others, including public liability, property damage, boiler, casualty, employees' liability, etc.

(3) Other losses which occur in connection with gas operations, and payments and expenses on account of damages for nonperformance of contractual obligations

B. Amounts may be accrued monthly sufficient to meet the probable liability for such losses, concurrent credits being made to account 1255, Reserve for Insurance, Injuries and Damages, in which case losses sustained shall be charged to the reserve. This includes payments to attorneys, investigators and adjusters, court costs, etc.

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

Note A: If clearing accounts 1902 to 1905 are kept, the applicable items provided for in this account shall be included in such clearing accounts.

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. If the utility carries reserves for self-insurance, it shall maintain records to show the types of losses against which such reserves are maintained, and the basis of the accruals to the reserves for each risk covered.

D C 1800. Other General Expenses

A. This account shall include such items of expense applicable to the gas department, not provided for in other accounts, as the cost of publishing and distributing annual reports to stockholders; advertising notices of stockholders' meetings; dividend and other corporate and financial notices of a general character; association dues; contributions for conventions and meetings of the industry; fees of transfer agents, registrars of stock and fiscal agents; director's fees; fees for filing annual reports and tariff schedules; commissions paid under agency sales contracts; expenses incurred in accident, welfare, educational and recreational work; cost of life insurance for employees when the utility is not the beneficiary; pensions payable currently to retired employees or their beneficiaries and the cost of advance provision for pensions to be paid to retired employees or their beneficiaries, except payroll taxes, (see general instruction § 321.12); cost of employees' relief and benefits; and any other miscellaneous expenses connected with the general management and not otherwise provided for.

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 1114, Miscellaneous Investments and Special Funds; otherwise such amounts shall be charged to account 1538, Miscellaneous Income Deductions. (See general instruction § 321.7.)

Note A: When the utility is the beneficiary of insurance on officers or employees, the cash surrender value shall be included in account 1133, Miscellaneous Current and Accrued Assets, and the excess of cost of the insurance over such cash surrender value shall be charged to account 1538, Miscellaneous Income Deductions.

Note B: No charges shall be made to this account or distributed to other accounts to cover advance provision for future pension payments, unless the controlling plan has been filed with the commission; and no charges shall be made in anticipation of discretionary pension payments in the future.

Note C: Records shall be kept so that the amounts paid for pensions and the amounts paid as advance provision for future pensions can be readily determined.

Note D: 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 any such existing reserve is eliminated by payment of an equivalent amount into the pension trust fund.

D C 1802. Operation and Maintenance of General Property

This account shall include the cost of operating and maintaining general buildings and general office furniture and equipment.

D C 1803. General Rents

A. This account shall include rent, covering the property of others used, occupied, or operated in connection with the general and administrative functions of the utility, such as general offices. Taxes paid on such property shall be charged hereto. (See also gas plant instruction § 322.8.)

B. If the leased property is used by more than one department of the utility, the rental (and taxes) shall be apportioned on an equitable basis to the departments making use of the property. If a portion of the rented property is sub-leased, the revenue therefrom shall be included in account 1610, Rent from Gas Operating Property.

Note: If the commercial office and the general office occupy space jointly and the allocation of the rental to each office is not practicable, the entire amount of such rental may be included in this account.

D C 1805. 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, gas furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credits for such charges shall be to account 1806, Duplicate Charges--Credit.

Note A: Taxes shall not be charged to this account. (See account 1507, Operating Taxes.)

Note B: The cost of plant, supplies, etc., given as an initial consideration for a franchise running for more than one year shall be charged to account 1302, Franchises and Consents.

D C 1806. Duplicate Charges--Credit

A. This account shall include concurrent credits for charges which are made to account 1805, 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 gas department for gas or steam for heating for which there is no direct money outlay.

B. This account shall be so kept as to disclose the nature and amount of each item included herein. D C 1807. 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, covering the portion of the pay and expenses of general officers, clerks, and others when engaged on construction work.

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

Note: See gas plant instruction, paragraph (5) of subdivision (a) of section 322.3.

D C 1808. Joint Expenses--Debit

D C 1809. Joint Expenses--Credit

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 gas department and a coordinate department or departments shall likewise be considered as a joint facility.

B. Amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with gas operations shall be charged to account 1808, Joint Expenses--Debit; amounts receivable under the arrangements shall be credited to account 1809, Joint Expenses--Credit. The cost of natural gas produced by the utility and used in manufactured gas production shall be credited to account 1752, Natural Gas Production--Credit.

C. These accounts shall also include interdepartmental rents receivable or payable even though such rents are not determined on the basis of costs of operation and maintenance of property jointly used.

D. The records supporting the entries to these accounts shall be so kept that the utility can furnish a complete explanation of the items therein.

D C 1810. Stores, Shop and Laboratory Expenses

A. This account shall include the cost of labor employed and expenses incurred in the operation and maintenance of the gas storerooms, shops and laboratories if such expenses are not allocated, either directly or through the medium of a clearing account, to the accounts, benefited.

B. This account, when kept, shall include costs covered by the text and items listed in accounts 1902, Stores Expenses--Clearing, and 1905, Shop and Laboratory Expenses--Clearing, except depreciation, insurance, and rents. (See accounts 1503, 1798 and 1803.)

Note A: The cost of repairs to meters and other plant (repairs)[4] made at the shop shall not be included herein but in the accounts appropriate for such maintenance.

FOOTNOTE: (4) Supplied by editor.

Note B: Stores, shop and laboratory expenses applicable to construction shall not be included in operating expenses.

D C 1811. Transportation Expenses

A. This account shall include the cost of labor employed and expenses incurred in the operation and maintenance of transportation equipment if such expenses are not allocated, either directly or through the medium of a clearing account, to the accounts benefited. For item list and optional accounting, see account 1903, Transportation Expenses--Clearing.

B. This account, when kept, shall include costs covered by the text and items listed in account 1903, Transportation Expenses--Clearing.

Note: Transportation expenses applicable to construction shall not be included in operating expenses.

CLEARING ACCOUNTS REQUIRED

D C 1901. Charges by Associated Companies--Clearing
OPTIONAL

1902. Stores Expenses--Clearing

1903. Transportation Expenses--Clearing

1905. Shop and Laboratory Expenses--Clearing

REQUIRED

Note: Utilities which do not use accounts 1902 to 1905 shall keep accounts 1810, Stores, Shop and Laboratory Expenses, and 1811, Transportation Expenses.

D C 1901. Charges by Associated Companies--Clearing (Required)

A. This account shall include all charges made by associated companies against the utility for any purpose whatsoever (except interest), including charges for management, supervision, purchasing, construction, accounting, engineering, legal, financial, rent, advertising, materials and supplies, equipment and other property, commissions, taxes and other items, together with credits applicable thereto as provided in general instruction section 321.7.

B. This account shall be cleared by charging the appropriate accounts with the expenditures applicable thereto.

C. The records supporting this account shall be so kept as to show the nature of each charge together with the account or accounts to which each charge is cleared.

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.

1902. Stores Expenses--Clearing (Optional)

A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of the store-rooms (other than those identified only with a particular function) 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. Collecting and handling scrap materials in stores
3. Depreciation of storeroom equipment
4. Discount on materials, when not assignable to specific items
5. Freight, express, etc., when not assignable to specific items
6. Heat, light and power for storerooms and stores offices
7. Injuries and damages
8. Inspecting and testing materials and supplies, when not assignable to specific items
9. Insurance on materials and supplies and on stores equipment
10. 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
11. Maintenance of stores equipment
12. Pay and expenses of storekeepers, clerks and others employed in storerooms or in store offices
13. Purchasing agents' fees, portion applicable to items carried through this account
14. Purchasing agents' pay and expenses, portion applicable to items carried through this account
15. Rents (See also gas plant instruction § 322.8.)
16. Transporting materials into storehouse, when not assignable to specific items

Note: 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 preceding inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in this account.

1903. Transportation Expenses--Clearing (Optional)

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

B. This account shall be cleared by apportionment to operating expense, gas 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. Depreciation of transportation equipment
2. Feed and bedding for horses and mules
3. Fuel and lubricants for vehicles (including sales and excise taxes thereon)
4. Freight, express, drayage, etc., on fuel, repair parts, etc.
5. Heat, light and power for garage and garage office
6. Injuries and damages
7. Insurance on garage equipment and transportation equipment including public liability and property damage
8. License fees for vehicles and drivers
9. Maintenance of transportation and garage equipment

10. Operation of garages and stables
11. Pay and expenses of drivers, mechanics, etc.
12. Rent of garage buildings and grounds (See also gas plant instruction § 322.8)
13. Rent of vehicles and other rents
14. Taxes, direct, such as on gasoline, oil, tires, etc.
15. Tires, tubes and chains
1905. Shop and Laboratory Expenses--Clearing (Optional)

A. This account shall include the cost of labor and expenses incurred in the operation and maintenance of shops and laboratories of the utility, other than those identified wholly with a particular function.

B. This account shall be cleared by apportionment to operating expense, gas 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.

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

ITEMS

1. Charts
2. Collecting and handling scrap materials
3. Depreciation of equipment
4. Heat, light and power
5. Injuries and damages
6. Insurance on equipment and supplies
7. Pay and expenses of superintendents, machinists, chemists and other employees in shops or laboratories
8. Rents (See also gas plant instruction § 322.8.)
9. Repairs to equipment
10. Testing supplies