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§ 312.1 System of accounts prescribed

Each Class A and Class B gas utility shall keep its accounts in conformity with the Code of Federal Regulations (Revised as of April 1, 1998), Title 18, Conservation of Power and Water Resources, Subchapter F - Accounts, Natural Gas Act, Part 201, Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act. (As further described in section 10.2 (b) of these regulations).

§ 312.2 Records for territorial subdivisions

To the extent that utility's customer rates are based on a cost area or accounting division, the records that support those rates shall be maintained.

§ 312.3 Work order and property record system required

(a) The work order system shall include a work order estimate and work in progress record, which shall be supported as indicated in subdivisions (b) and (c) herein. Standing work orders may be used by Class A and B utilities for projects of relatively small value (e.g., \$ 100,000); except that projects upon which interest during construction is charged shall not be recorded through standing work orders. These limits may be modified by order of the commission when warranted by particular circumstances.

(b) The work order estimate shall include the following particulars:

(1) The designation number or letter and the signature of the officer or employee who authorized the work or purchase. If the authorization is by the board of directors or other body, an appropriate officer shall so state above his signature.

(2) A description and location of the work to be done (or the purchase to be made), stating the reasons the work is necessary, and the dates between which such work (or purchase) is to be accomplished. For each project for which interest during construction is charged, the date completed and the date placed in operation shall be shown either in the work order estimate or the work in progress record.

(3) Detailed estimates of the cost of the project to be supported by maps, plans, diagrams, specifications, etc., as applicable.

(4) The account or accounts to which the cost of the project is chargeable and the amount chargeable to each account.

(5) Any variations between estimates and actual costs of the project.

(6) When a project involves changes to existing property, either the work order estimate or the work in progress record shall show the year of installation of any property retired or otherwise affected and shall show or refer to other records that cover the book costs (or an estimate if not known, and a statement explaining the basis for that estimate) and the name and page of the accounting and engineering books and records covering such installation and the cost thereof.

(c) The work in progress record shall contain the following particulars:

(1) A designation number or letter that shall correspond to the number or letter on the work order estimate covering the same project. When more than one such work in progress record covers the work on a work order estimate, each record shall be numbered or lettered in such a manner as to be readily identifiable with the work order estimate for the same project.

(2) The accumulated charges applicable to each job or project, the total cost of the completed project, and the cost of removal shall be shown. When any project involves charges to more than one gas plant account, the work in progress record shall be kept so as to show the amount chargeable to each account. Every charge or credit to work in progress records shall refer to the voucher, journal, or other source from which the entry therein was made.

(3) Full details at any time of the amount carried in account 107, Construction Work in Progress-Gas, or account 108.1, Retirement Work in Progress, as applicable. The cost of completed projects shall be promptly transferred from those accounts to the accounts to which it is chargeable. Upon coming into service, completed portions involving additions to accounts shall be transferred to the appropriate account even though other portions of the work covered by the same work order are not yet completed and the work order has not been closed. Credits of such transfers shall be made in separate columns.

(d) Requirement of the use of the work order system here outlined may be suspended by order of the commission in the case of a utility that satisfies the commission that the system it has in use for recording changes in gas plant accounts gives the equivalent detail by accounts in substantially the same form. The identification of expenditures with property must be complete and clear, and the detail of the cost of each project or job must be readily available. The total of the uncompleted projects must also be in agreement with account 107, Construction Work in Progress-Gas, or account 108.1, Retirement Work in Progress, as applicable.

(e) The work order system is required to record changes in electric plant used either wholly or in part in electric operations. Its use is recommended, however, in recording other expenditures, such as for plant in other departments, repairs, etc. When used for repairs, balances applicable thereto shall be cleared monthly to the appropriate accounts.

§ 312.4 Spreading of income, revenue, and expense items

When the amount of any unusual item includible in the income, operating revenue, or operating expense accounts is relatively so large that its inclusion in the accounts for the year in which the transactions occurred, would seriously distort net income, the company may request permission to include all or a part of the amount in account 186, Miscellaneous Deferred Debits, or account 253, Other Deferred Credits to be amortized over such period and through such accounts as the commission shall determine. Without permission of this commission, no such item shall be carried beyond the calendar year in which the transaction occurred.

ACCOUNTS

ACCOUNTS

Note: Each utility, upon filing a waiver of statutory notice with the commission not later than 60 days after service of a copy of the October 22, 1974 resolution, is authorized and permitted to keep its records and accounts in conformity with the Uniform Systems of Accounts as amended commencing January 1, 1975.

BALANCE SHEET ACCOUNTS ASSETS AND OTHER DEBITS

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102. Gas Plant Purchased or Sold

103. Experimental Gas Plant Unclassified

104. Gas Plant Leased to Others

105. Gas Plant Held for Future Use

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- 107. Construction Work in Progress--Gas
- 108. Accumulated Provision for Depreciation of Gas Plant in Service
- 109. Accumulated Provision for Depreciation of Gas Plant Leased to Others
- 110. Accumulated Provision for Depreciation of Gas Plant Held for Future Use
- 111. Accumulated Provision for Amortization and Depletion of Gas Plant in Service
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- 114. Gas Plant Acquisition Adjustments
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2. OTHER PROPERTY AND INVESTMENTS

- 121. Nonutility Property
- 122. Accumulated Provision for Depreciation and Amortization of Nonutility Property
- 123. Investment in Associated Companies
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- 124. Other Investments
- 125. Sinking Funds
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3. CURRENT AND ACCRUED ASSETS

- 131. Cash
- 132. Interest Special Deposits
- 133. Dividend Special Deposits
- 134. Other Special Deposits
- 135. Workings Funds
- 136. Temporary Cash Investments
- 141. Notes Receivable
- 142. Customer Accounts Receivable
- 143. Other Accounts Receivable
- 144. Accumulated Provision for Uncollectible Accounts--Credit

- 145. Notes Receivable from Associated Companies
- 146. Accounts Receivable from Associated Companies
- 150. Materials and Supplies
- 164.1 Gas Stored Underground--Current
- 164.2 Liquefied Natural Gas in Storage
- 165. Prepayments
- 171. Interest and Dividends Receivable
- 172. Rents Receivable
- 173. Accrued Utility Revenues
- 174. Miscellaneous Current and Accrued Assets

4. DEFERRED DEBITS

- 181. Unamortized Debt Expense
- 182. Extraordinary Property Losses
- 183.1 Preliminary Natural Gas Survey and Investigation Charges
- 183.2 Other Preliminary Survey and Investigation Charges
- 184. Clearing Accounts
- 185. Temporary Facilities
- 186. Miscellaneous Deferred Debits
- 187. Deferred Losses from Disposition of Utility Plant
- 188. Investment in Research and Development
- 190. Accumulated Deferred Income Taxes

LIABILITIES AND OTHER CREDITS5. PROPRIETARY CAPITAL

Capital Stock

- 201. Common Stock Issued
- 202. Common Stock Subscribed
- 203. Common Stock Liability for Conversion
- 204. Preferred Stock Issued
- 205. Preferred Stock Subscribed
- 206. Preferred Stock Liability for Conversion

Other Paid-in Capital

- 207. Premium on Capital Stock
- 208. Donations Received from Stockholders
- 209. Reduction in Par or Stated Value of Capital Stock
- 210. Gain on Resale or Cancellation of Reacquired Capital Stock
- 211. Miscellaneous Paid-in Capital

- 212. Installments Received on Capital Stock
- 214. Capital Stock Expense
- 215. Appropriated Retained Earnings
- 216. Unappropriated Retained Earnings
- 216.1 Unappropriated Undistributed Subsidiary Earnings
- 217. Reacquired Capital Stock
- 6. LONG-TERM DEBT
 - 221. Bonds
 - 222. Reacquired Bonds
 - 223. Advances from Associated Companies
 - 224. Other Long-term Debt
 - 225. Unamortized Premium on Long-term Debt
 - 226. Unamortized Discount on Long-term Debt--Debit
- 7. CURRENT AND ACCRUED LIABILITIES
 - 231. Notes Payable
 - 232. Accounts Payable
 - 233. Notes Payable to Associated Companies
 - 234. Accounts Payable to Associated Companies
 - 235. Customer Deposits
 - 236. Taxes Accrued
 - 237. Interest Accrued
 - 238. Dividends Declared
 - 239. Matured Long-term Debt
 - 240. Matured Interest
 - 241. Tax Collections Payable
 - 242. Miscellaneous Current and Accrued Liabilities
- 8. DEFERRED CREDITS
 - 252. Customer Advances for Construction
 - 253. Other Deferred Credits
 - 255. Accumulated Deferred Investment Tax Credits
 - 256. Deferred Gains from Disposition of Utility Plant
 - 281. Accumulated Deferred Income Taxes--Accelerated Amortization
 - 282. Accumulated Deferred Income Taxes--Liberalized Depreciation
 - 283. Accumulated Deferred Income Taxes--Other
- 9. OPERATING RESERVES
 - 261. Property Insurance Reserve

262. Injuries and Damages Reserve

263. Pensions and Benefits Reserve

265. Miscellaneous Operating Reserves

ASSETS AND OTHER DEBITS¹. UTILITY PLANT

101. Gas Plant in Service

A. This account shall include the original cost of gas plant included in accounts 301 to 399 prescribed herein, owned by the utility and used and useful in the service of the public in its gas operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees. (See also account 106 for unclassified construction costs of completed plant actually in service.)

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be recorded in subdivisions separate and distinct from those relating to owned property. (See Part 313 Instructions--Gas Plant Accounts, § 313.6.)

C. This account may include the entire original cost of property which is partially used and useful in utility operations when the portion which is so used and useful is not separable from the portion which is not used and useful.

102. Gas Plant Purchased or Sold

This account shall be charged with the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with Part 313 Instructions--Gas Plant Accounts, § 313.5.

103. Experimental Gas Plant Unclassified

A. This account shall include the cost of gas plant which was constructed as a research and development project under the provisions of paragraph C, account 107, Construction Work in Progress--Gas, and due to the nature of the plant it is desirable to operate it for a period of time in an experimental status.

B. Amounts in this account shall be transferred to account 101, Gas Plant in Service, or account 121, Nonutility Property, as appropriate, when the project is no longer considered as experimental.

C. The depreciation on property in this account shall be charged to account 403, Depreciation Expense, and credited to account 108, Accumulated Provision for Depreciation of Gas Plant in Service. The amounts herein shall be depreciated over a period which would correspond to the estimated useful life of the relevant project considering the experimental characteristics involved. However, when projects are transferred to account 101, Gas Plant in Service, a new depreciation rate based on the remaining service life and undepreciated amounts, shall be established.

D. Records shall be maintained with respect to each unit of experimental plant so that full details may be obtained as to the cost, depreciation and the experimental status.

E. Should it be determined that experimental plant recorded in this account will fail to perform its function satisfactorily, the costs thereof shall be accounted for as directed or authorized by the commission.

104. Gas Plant Leased to Others

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

B. The property included in this account shall be classified according to the detailed accounts (301 to 399) prescribed for gas plant in service and this account shall be maintained in such detail as though the property were used by the owner in its gas operations.

105. Gas Plant Held for Future Use

A. This account shall include the original cost of gas plant (except land and land rights) owned and held for future use in gas service under a definite plan for such use, to include: (1) property acquired (except land and land rights) but never used by the utility in gas service, but held for such service in the future under a definite plan, and (2) property

(except land and land rights) previously used by the utility in gas service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes production properties relating to leases held to insure a future supply of natural gas.

B. This account shall also include the original cost of land and land rights owned and held for future use in gas service under a plan for such use, to include land and land rights: (1) acquired but never used by the utility in gas service, but held for such service in the future under a plan, and (2) previously held by the utility in gas service, but retired from such service and held pending its reuse in the future under a plan, in gas service. (See Gas Plant Instruction, 313.7.)

C. In the event that property recorded in this account shall no longer be needed or appropriate for future utility operations, the company shall notify the commission of such condition and request approval of journal entries to remove such property from this account.

D. Gains or losses from the sale of land and land rights or other disposition of such property previously recorded in this account and not placed in utility service shall be recorded directly in account 411.6 or 411.7 as appropriate, except when such gains or losses are significant, the company may request commission approval to transfer the amounts to account 256, Deferred Gains from Disposition of Utility Plant or account 187, Deferred Losses from Disposition of Utility Plant and amortize the amounts to account 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, over such period as the commission may authorize.

E. The property included in this account shall be classified according to the detailed accounts (301 to 399) prescribed for gas plant in service and the account shall be maintained in such detail as though the property were in service.

Note A: Materials and supplies, meters and house regulators held in reserve, and normal spare capacity of plant in service shall not be included in this account.

Note B: Include in this account natural gas wells shut in after construction which have not been connected with the line; also, natural gas wells which have been connected with the line but which are shut in for any reason except seasonal excess capacity or governmental proration requirements or for repairs.

Note C: Unsuccessful exploration and development costs shall be charged to account 338, Unsuccessful Exploration and Development Costs.

106. Completed Construction Not Classified--Gas

At the end of the year or such other date as a balance sheet may be required by the commission, this account shall include the total of the balances of work orders for gas plant which has been completed and placed in service but which work orders have not been classified for transfer to the detailed gas plant accounts.

Note: For the purpose of reporting to the commission, the classification of gas plant in service by the prescribed accounts is required; the utility shall also report the balance in this account tentatively classified as accurately as practicable according to prescribed account classifications. The purpose of this provision is to avoid any significant omissions in reported amounts of gas plant in service.

107. Construction Work in Progress--Gas

A. This account shall include the total of the balances of work orders for gas plant in process of construction.

B. Work orders shall be cleared from this account as soon as practicable after completion of the job. Further, if a project, such as a gas production plant, a compressor station, or a transmission line, is designed to consist of two or more units which may be placed in service at different dates, any expenditures which are common to and which will be used in the operation of the project as a whole shall be included in gas plant in service upon the completion and the readiness for service of the first unit. Any expenditures which are identified exclusively with units of property not yet in service shall be included in this account.

C. Expenditures on research and development projects for construction of utility facilities are to be included in a separate subdivision in this account. Records must be maintained to show separately each project along with complete detail of the nature and purpose of the research and development project together with the related costs. Costs recorded in this account related to successful projects become a part of the cost of the project for accounting and rate purposes when the project is placed in service. Costs related to unsuccessful projects may be amortized to operating expenses with the approval of the commission.

Note: Unsuccessful exploration and development costs shall be transferred to account 338, Unsuccessful Exploration and Development Costs. 108. Accumulated Provision for Depreciation of Gas Plant in Service

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense (except in connection with common utility plant), to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, and to clearing accounts for current depreciation expense.

(2) Amounts of depreciation applicable to gas properties acquired as operating units or systems. (See gas plant instruction 313.5.)

(3) Amounts charged to account 182, Extraordinary Property Losses, when authorized by the commission.

B. At the time of retirement of depreciable gas plant in service this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. (See Part 313 Instructions--Gas Plant Accounts, § 313.10(b)(2).) When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders shall be included in a separate subaccount hereunder, titled 108.1, Retirement Work in Progress. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. For purposes of analysis, however, each utility shall maintain subsidiary records in which this account is segregated according to the primary gas plant accounts. Such subsidiary records shall reflect the current credits and debits to this account in sufficient detail to show separately for each primary gas plant account (1) the amount of provision for depreciation, (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance. (See, also, Part 311 Instructions--General, § 311.12(d).)

D. When transfers of plant are made from one gas plant account to another, or from or to another utility department, or from or to nonutility property accounts, the accounting for the related accumulated provision for depreciation shall be as provided in gas plant instruction 313.12.

E. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

109. Accumulated Provision for Depreciation of Gas Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Gas Plant Leased to Others, for current depreciation expense of property included in account 104, Gas Plant Leased to Others. Include, also, credits for depreciation applicable to plant acquired as operating units or systems, or for losses transferred to account 182, Extraordinary Property Losses.

B. The requirements of account 108, Accumulated Provision for Depreciation of Gas Plant in Service, regarding retirements chargeable thereto and of subsidiary data to be maintained shall be applicable likewise to this account.

C. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

110. Accumulated Provision for Depreciation of Gas Plant Held for Future Use

A. This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating Income, for depreciation expense on property included in account 105, Gas Plant Held for Future Use. Include also the balance of accumulated provision for depreciation on property which may be transferred to account 105, Gas Plant Held for Future Use, from other property accounts.

B. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

Note: Normally, this account will not be used for current depreciation provisions because, as provided herein, the service life during which depreciation is computed commences with the date property is includible in gas plant in ser-

vice. However, if special circumstances indicate the propriety of current accruals for depreciation, such charges shall be made to account 421, Miscellaneous Nonoperating Income.

111. Accumulated Provision for Amortization and Depletion of Gas Plant in Service

A. This account shall include the accumulated provisions applicable to gas plant in service for the amortization and depletion of producing natural gas land and land rights; for the amortization of underground storage land and land rights; for the amortization of other limited-term gas plant; and for the amortization of intangible or other gas plant which is not subject to charges for depreciation expense.

B. Separate subdivisions of this account shall be maintained under the following titles:

111.1 Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights

A. This account shall be credited with amounts charged to account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights, to provide for the current amortization and depletion of land and land rights from which natural gas is obtained. (See gas plant instruction 313.7, subd. (h).)

B. This account shall also be credited with such amounts as are necessary to reflect, as of the effective date of this system of accounts, the portion of the cost of land and land rights which have been exhausted through the extraction of natural gas.

C. When any property to which this account applies, is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property, as appropriate.

D. Records shall be maintained so as to show separately the balance applicable to each item of land and land rights which is being amortized or depleted, except that natural gas land and land rights which comprise an interest in a production area may be grouped to form a unit for amortization and depletion and the accumulated provision applicable thereto need not be segregated to show the amount related to each gas right included therein.

E. The utility is restricted in its use of the accumulated provision for amortization and depletion to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

111.2 Accumulated Provision for Amortization of Underground Storage Land and Land Rights

A. This account shall be credited with amounts charged to account 404.2, Amortization of Underground Storage Land and Land Rights, to provide for current amortization of land and land rights utilized in connection with underground gas storage operations.

B. This account also shall include all amounts of accumulated past provisions for amortization and depletion of natural gas lands and land rights converted to underground gas storage purposes. These amounts shall be transferred to this account from other accounts in which included on conversion of such property to underground storage use.

C. When any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property, as appropriate.

D. Records shall be maintained so as to show separately the balance applicable to each underground gas storage project.

E. The utility is restricted in its use of the accumulated provision for amortization to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

111.3 Accumulated Provision for Amortization of Other Gas Plant in Service

A. This account shall be credited with amounts charged to account 404.3, Amortization of Other Limited-term Gas Plant, for the current amortization of limited-term gas investments. It shall be credited also with amounts which may be charged to account 405, Amortization of Other Gas Plant, to account 425, Miscellaneous Amortization, to amortize in-

tangible or other gas plant which is not subject to charges for depreciation expense and for which the accumulated amortization is not includible in either of the preceding accounts, 111.1 and 111.2.

B. When any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized.

D. The utility is restricted in its use of the accumulated provision for amortization to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

112. Accumulated Provisions for Amortization and Depletion of Gas Plant Leased to Others

A. This account shall be credited with amounts charged to account 413, Expenses of Gas Plant Leased to Others, for the current amortization and depletion of producing gas lands, limited-term or other investments subject to amortization included in account 104, Gas Plant Leased to Others, including such amounts as may be applicable to underground gas storage property leased to others.

B. When any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property, as appropriate.

C. Records shall be maintained so as to show separately the balance applicable to each class of property which is being amortized. Amounts applicable to producing natural gas lands shall be shown in a separate account.

D. The utility is restricted in its use of the accumulated provision for amortization and depletion to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

113.1 Accumulated Provision for Abandonment of Leases

A. This account shall be credited with amounts concurrently charged to account 797, Abandoned Leases, for the purpose of providing for the costs of natural gas leases which may be abandoned and which have never been productive.

B. When such natural gas leases are abandoned, the cost thereof, including expenses incidental to abandonment, shall be charged to this account; provided, however, that any deficiency in this account at the time of abandonment of the lease shall be charged to account 797, Abandoned Leases.

C. Records supporting this account shall be so kept as to show for each abandoned lease the date and period thereof, location, date abandoned, and the nature and amounts of the cost.

D. The utility is restricted in its use of the accumulated provision for amortization to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

Note: No provision shall be made in this account for the abandonment of producing natural gas leases, and the provisions of gas plant instruction 318.12, Transfers of Property, shall not apply to amounts included herein. (See account 111.1, Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

113.2 Accumulated Provision for Amortization of Other Gas Plant Held for Future Use

A. This account shall be credited with amounts charged to account 421, Miscellaneous Nonoperating income, for amortization expense on property included in account 105, Gas Plant Held for Future Use, not including, however, provisions for abandoned natural gas leases. Include, also, the balance of accumulated provision for amortization on property which may be transferred to account 105, Gas Plant Held for Future Use, from other property accounts.

B. The utility is restricted in its use of the accumulated provision for amortization to the purposes set forth above. It shall not transfer any portion of this account to retained earnings or make any other use thereof without authorization by the commission.

Note: Normally, this account will not be used for current amortization provisions because, as provided herein, the service life during which amortization is computed commences with the date property is includible in utility plant in service. However, if special circumstances indicate the propriety of current accruals for depreciation or amortization, such charges shall be made to account 421, Miscellaneous Non-operating Income.

114. Gas Plant Acquisition Adjustments

A. This account shall include amounts determined in accordance with gas plant instruction 313.5 representing the difference between (1) the amount of money actually paid (or the current money value of any consideration other than money exchanged) for gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, plus the costs and expenses incurred in connection with the acquisition and properly related thereto the accounting disposition of which has not been otherwise provided for, and (2) the original cost, estimated if not known, of such property less credits thereto representing contributions in aid of construction and less the amount or amounts credited to accumulated provisions for depreciation, depletion, and amortization with respect to such property.

B. This account shall be subdivided so as to show the amounts included herein for each property acquisition, and the amounts related to gas plant in service, gas plant held for future use, and gas plant leased to others. (See gas plant instruction 313.5.)

C. The amounts recorded in this account with respect to each property acquisition shall be disposed of, written off, or provision shall be made for the amortization thereof, as follows:

(1) Debit amounts may be charged to account 426.5, Other Deductions, or account 435, Extraordinary Deductions, as appropriate, in whole or in part, or amortized through charges made in accordance with an orderly and systematic amortization program to account 425, Miscellaneous Amortization, without further direction or approval of this commission. Should the utility desire the disposition of debit amounts in any manner other than as herein provided it shall request that the commission (i) approve disposition proposed by the utility or (ii) direct appropriate disposition according to the circumstances involved in each transaction. (See also account 406.)

(2) Credit amounts shall be disposed of in such manner as this commission may approve or direct.

115. Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments.

This account shall be credited or debited with amounts which are includible in account 406, Amortization of Gas Plant Acquisition Adjustments or account 425, Miscellaneous Amortization, for the purpose of providing for the extinguishment of amounts in account 114, Gas Plant Acquisition Adjustments, in instances where the amortization of account 114 is not being made by direct write-off of the account.

117. Gas Stored Underground--Noncurrent

A. This account shall include the costs of recoverable gas purchased or produced by the utility which is stored in depleted or partially depleted gas or oil fields, or other underground reservoirs and held for use in meeting service requirements of the utility's customers.

B. Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized by the commission.

Note B-1: In general, gas stored from the supply in an integrated system shall be priced at the average cost of the gas constituting the common supply of the system, although this general rule may be departed from where conditions of system operation of gas supply and utilization permit a valid presumption that the gas stored may be considered to be from specified sources, as indicated below.

Note B-2: When in harmony with the over-all system operation of gas supply and utilization, and the presumption is consistently observed from year to year, gas stored during the year may be presumed to be from total gas purchases, or from purchases from specified sources. When either of these presumptions is proper, the cost of gas stored shall be priced at the weighted average cost of all gas purchased, or at the weighted average cost of purchases from the specified

sources, as appropriate. The weighted average cost may be the average for the preceding 12 months, except where a significant change occurs in the cost of gas, the full effect of such change shall be reflected for the period after the change is effective.

Note B-3: When in harmony with the over-all system operation of gas supply and utilization, and the presumptions are consistently observed from year to year, gas stored during the year may be presumed to be from identified sources of the utility's own production. Such stored gas shall be priced at the weighted average cost of gas produced from the specified production areas. Where this presumption is made, or where the stored gas is identified as a matter of fact under circumstances which do not permit a proper application of the theory of displacement, the utility shall maintain separate records of the cost of gas produced from such areas and the derivation of the cost used for stored gas from such sources.

Note B-4: Where gas is purchased specifically for storage, or a price concession received because of the storing of purchased gas, such gas shall be priced at the net contract price of the gas so purchased and stored.

Note B-5: The provisions of this instruction and the related footnotes shall not be construed as permitting or authorizing a restatement of the amounts at which stored gas inventories are stated on the utility's books at the effective date of this instruction, except as may be authorized by the commission.

C. Withdrawals of gas may be priced according to the first-in-firstout, last in-first-out, or weighted average cost method, in connection with which a "base stock" may be employed provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith. Approval of the commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

D. If the gas of any storage project is withdrawn below the amount established as "base stock" or encroaches upon native gas of a storage reservoir, and such gas is to be replaced within 12 months, it shall be permissible to price such gas at the estimated cost of replacement with purchased gas and to record a deferred credit therefor. For the purpose of this instruction, account 808, Gas Withdrawn from Storage--Debit, shall be charged with the estimated cost of such replacement gas and account 253, Other Deferred Credits, credited. When replacement of the gas is made the amount in account 253 shall be cleared and this account credited. This accounting will not affect normal accounting for inputs and withdrawals from storage.

E. Separate records shall be maintained for each storage project of the Mcf of gas delivered to storage, withdrawn from storage, and remaining in storage. The projects shall be grouped, however, for the purpose of maintaining inventory records of the cost of gas in storage, unless the storage projects are widely separated and the cost of gas therein varies significantly, in which event cost records shall be maintained for the separate areas.

F. Amounts debited to this account for gas placed in storage shall be credited to account 809, Gas Delivered to Storage--Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to account 808, Gas Withdrawn from Storage--Debit.

G. Adjustments for inventory losses due to cumulative inaccuracies of gas measurements, or from other causes, shall be charged to account 823, Gas Losses. In the operation of storage projects the utility shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

H. This account shall be credited with an amount equal to that debited to account 164.1, Gas Stored Underground--Current, to classify for balance sheet purposes such portion of the total inventory of gas stored underground as constitutes a current asset according to conventional rules for classification of current assets. (See account 164.1.)

Note: If with respect to any storage reservoir, the utility determines that a portion of the stored gas included in this account will not eventually be fully recovered, it may submit for consideration of the commission, a plan to create a reserve to provide for such anticipated gas losses.

118.1 Common Utility Plant

This account shall include the balances in accounts for utility plant which is used in common for gas operations and other operations. (See gas plant instruction 313.13.)

118.2 Other Utility Plant

A. This account shall include the balances in accounts for utility plant, other than gas plant and common utility plant.

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

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

119.1 Accumulated Provision for Depreciation and Amortization of Common Utility Plant

This account shall include the accumulated provision for depreciation and amortization applicable to property carried in common utility plant account 118.1. (See also general instruction 311.12 and gas plant instruction 313.13.)

119.2 Accumulated Provision for Depreciation and Amortization of Other Utility Plant

This account shall include the accumulated provision for depreciation and amortization applicable to property in account 118.2, Other Utility Plant.

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

2. OTHER PROPERTY AND INVESTMENTS

121. Nonutility Property

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Gas Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122. Accumulated Provision for Depreciation and Amortization of Nonutility Property

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

123. Investment in Associated Companies

A. This account shall include the book cost of investments in securities issued or assumed by associated companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement, provided that the investment does not relate to a subsidiary company. (If the investment relates to a subsidiary company it shall be included in account 123.1, Investment in Subsidiary Companies.) Include herein the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The account shall be maintained in such manner as to show the investment in securities of, and advances to, each associated company together with full particulars regarding any of such investments that are pledged.

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

Note B: Securities of associated companies held as temporary cash investments are includible in account 136, Temporary Cash Investments.

Note C: Balances in open accounts with associated companies, which are subject to current settlement, are includible in account 146, Accounts Receivable from Associated Companies.

Note D: The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 426.5, Other Deductions, or to an appropriate account for accumulated provisions for loss in value established as a separate subdivision of this account.

Note E: Advances made to associated companies without expectation of reimbursement shall be credited to this account and charged to account 426.5, Other Deductions.

123.1 Investment in Subsidiary Companies

A. This account shall include the cost of investments in securities issued or assumed by subsidiary companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement plus the equity in undistributed earnings or losses of such subsidiary companies since acquisition. This account shall be credited with any dividends declared by such subsidiaries.

B. This account shall be maintained in such a manner as to show separately for each subsidiary: the cost of such investments in the securities of the subsidiary at the time of acquisition; the amount of equity in the subsidiary's undistributed net earnings or net losses since acquisition; advances or loans to such subsidiary; and full particulars regarding any such investments that are pledged.

124. Other Investments

A. This account shall include the book cost of investments in securities issued or assumed by nonassociated companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

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

C. When securities with a fixed maturity date are purchased at a discount (that is, when the total cost, including brokerage fees, taxes, commissions, etc., is less than par), such discount may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which the interest revenue is recorded. No debits shall be made in respect to discount upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity.

D. When securities with a fixed maturity date are purchased at a premium (that is, when the total cost, including brokerage fees, taxes, commissions, etc., is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same account in which the interest revenue is recorded.

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

Note B: Securities held as temporary cash investments shall not be included in this account. (See account 136, Temporary Cash Investments.)

Note C: See note D of account 123.

125. Sinking Funds

This account shall include the amount of cash and book cost of investments held in sinking funds. A separate account, with appropriate title, shall be kept for each sinking fund. Transfers from this account to special deposit accounts may be made as necessary for the purpose of paying matured sinking-fund obligations, or obligations called for redemption but not presented, or the interest thereon.

126. Depreciation Fund

This account shall include the amount of cash and the book cost of investments which have been segregated in a special fund for the purpose of identifying such assets with the accumulated provisions for depreciation.

128. Other Special Funds

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for insurance, employee pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

Note: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employee benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

131. Cash

This account shall include the amount of current cash funds except working funds.

132. Interest Special Deposits

This account shall include special deposits with fiscal agents or others for the payment of interest.

133. Dividend Special Deposits

This account shall include special deposits with fiscal agents or others for the payment of dividends

134. Other Special Deposits

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

Note: Assets available for general corporate purposes shall not be included in this account. Further, deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 128, Other Special Funds.

135. Working Funds

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

136. Temporary Cash Investments

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

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141. Notes Receivable

This account shall include the book cost, not includible elsewhere, of all collectable obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, except, however, notes receivable from associated companies. (See account 136, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

Note: The face amount of notes receivable discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142. Customer Accounts Receivable

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

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143. Other Accounts Receivable

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 135, Working Funds.)

144. Accumulated Provision for Uncollectible Accounts--Credit

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-off of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers for Utility Services

Merchandising, Jobbing and Contract Work

Officers and Employees

Others

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

Note B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefore shall be established under the account in which the receivable is carried.

145. Notes Receivable from Associated Companies

146. Accounts Receivable from Associated Companies

These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than 12 months and items which are not paid within 12 months from due date shall be transferred to account 123, Investment in Associated Companies.

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

Note B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

150. Materials and Supplies

A. This account shall include the cost and related stores expense of unissued on all tools and unapplied materials and supplies, including gas-making materials residuals; plant materials and operating supplies; merchandise for sale; materials and supplies held primarily for nonutility purposes; and that portion of the inventory of gas stored underground which is appropriately classified as a current asset. The cost shall include, when practicable, the purchase price at the point of free delivery, plus customs duties, excise and other taxes on purchases, insurance, costs of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges; also the related stores expenses for purchasing, storage, handling, and distribution of materials.

B. As far as practicable, transportation charges for materials shall be included as a part of the cost of the particular materials to which they relate; cash or other discounts on materials shall be deducted in determining the cost of the particular material, or credited to the account to which the material is charged. Where such items cannot be assigned directly to particular purchases, they may be included in the subdivisions of this account, 150.152, Fuel Stock Expenses Undistributed, or 150.163, Stores Expense Undistributed, as appropriate. Where other classes of expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to account 150.152, or account 150.163, as appropriate.

C. Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account in accordance with provisions set forth in account 150.154, Plant Materials and Operating Supplies.

D. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied. Stores expenses related to the materials and supplies shall be cleared from the subaccount 150.163, Stores Expense Undistributed, by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expenses equitably over the stores issues.

E. Physical inventories of materials, supplies, fuel, etc., shall be taken at least every two years. The necessary adjustments shall be made to bring this account into harmony with the actual inventories. In effecting the adjustments large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged, or included in the stores expense accounts, 150.152, Fuel Stock Expenses Undistributed, or 155.163, Stores Expense Undistributed as appropriate.

Note A: Interest on material bills, the payment of which has been delayed, shall be charged to Account 431, Other Interest Expense.

Note B: Customer meters and house regulators, and such associated devices as are retirement units, in stock or undergoing repairs shall not be included in this account, but in Account 381, Meters, or Account 383, House Regulators, as appropriate.

F. Separate subaccounts of this account shall be maintained under the following titles:

150.151 Fuel Stock

This account shall include the book cost of fuel on hand.

ITEMS

1. Invoice price of fuel less any cash or other discounts.
2. Freight, switching, demurrage and other transportation charges, not including, however, any charges for unloading from the shipping medium.
3. Excise taxes, purchasing agents' commissions, insurance and other expenses directly assignable to cost of fuel.

150.152 Fuel Stock Expenses Undistributed

A. This account may include the cost of labor and of supplies used and expenses incurred in unloading fuel from the shipping medium and in the handling thereof prior to its use, if such expenses are sufficiently significant in amount to warrant being treated as a part of the cost of fuel inventory rather than being charged direct to expense as incurred.

B. Amounts included herein shall be charged to expense as the fuel is used to the end that the balance herein shall not exceed the expenses attributable to the inventory of fuel on hand.

ITEMS

Labor:

1. Procuring and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler house structure.

6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.
Supplies and Expenses:

7. Tools, lubricants and other supplies.
8. Operating supplies for mechanical equipment.
9. Transportation and other expenses in moving fuel.
10. Stores expenses applicable to fuel.

150.153 Residuals

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

150.154 Plant Materials and Operating Supplies

This account shall include the cost of materials purchased primarily for use in the utility business for construction, operation and maintenance purposes. It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items, shall be included in this account at original cost of material only, as defined in paragraphs A and B of account 150, including transportation to point of original receipt, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use. (See also gas plant instruction 313.3, par. (3).)

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

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

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

150.155 Merchandise

This account shall include the book cost of materials, supplies, appliances, and equipment held primarily for merchandising, jobbing and contract work.

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.

150.156 Other Materials and Supplies

This account shall include the book cost of materials and supplies held primarily for nonutility purposes.

150.163 Stores Expense Undistributed

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

B. This account shall be cleared by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expense equitably over store issues. The balance in the account at the close of the year shall not exceed the amount of stores expenses reasonably attributable to the inventory of materials and supplies exclusive of fuel, as any amount applicable to fuel cost should be included in account 150.152, Fuel Stock Expenses Undistributed.

ITEMS

Labor:

1. Inspecting and testing materials and supplies when not assignable to specific items.
2. Unloading from shipping facility and putting in storage.
3. Supervision of purchasing and stores department to extent assignable to materials handled through stores.
4. Getting materials from stock and in readiness to go out.
5. Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits.
6. Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional: purchasing department expenses may be included in administrative and general expenses.)
7. Maintaining stores equipment.
8. Cleaning and tidying storerooms and stores offices.
9. Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.
10. Collecting and handling scrap materials in stores.

Supplies and Expenses:

11. Adjustments of inventories of materials and supplies but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such classes of materials have been charged since the previous inventory.
12. Cash and other discounts not practicably assignable to specific materials.
13. Freight, express, etc., when not assignable to specific items.
14. Heat, light and power for storerooms and store offices.
15. Brooms, brushes, sweeping compounds and other supplies used in cleaning and tidying storerooms and stores offices.
16. Injuries and damages.
17. Insurance on materials and supplies and on stores equipment.
18. Losses due to breakage, leakage, evaporation, fire or other causes, less credits for amounts received from insurance, transportation companies or others in compensation of such losses.
19. Postage, printing, stationery and office supplies.
20. Rent of storage space and facilities.
21. Communication service.
22. Excise and other similar taxes not assignable to specific materials.
23. Transportation expense on inward movement of stores and on transfer between storerooms but not including charges on materials recovered from retirements which shall be accounted for as part of cost of removal.

164.1 Gas Stored Underground--Current

This account shall be debited with such amounts as are credited to account 117, Gas Stored Underground--Noncurrent, to reflect classification for balance sheet purposes of such portion of the inventory of gas stored underground as represents a current asset according to conventional rules for classification of current assets.

Note: It shall not be considered conformity to conventional rules of current asset classification if the amount included in this account exceeds an amount equal to the cost of estimated withdrawals of gas from storage for purposes of sale within the 24-month period from date of the balance sheet, or if the amount represents a volume of gas which, in fact, could not be withdrawn from storage without impairing the pressure level of any project for normal operating purposes. (See account 117, Gas Stored Underground--Noncurrent.)

164.2 Liquefied Natural Gas in Storage

A. This account shall include the cost of liquefied natural gas stored in above or below ground facilities.

B. Natural gas purchased in a liquefied form shall be priced at the cost of such gas to the utility. Natural gas liquefied by the utility shall be priced according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage facilities shall not be included in the inventory of gas except as may be authorized by the commission.

C. Amounts debited to this account for natural gas placed in storage shall be credited to account 809, Gas Delivered to Storage--Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to account 808, Gas Withdrawn from Storage--Debit.

D. Withdrawals of gas may be priced according to the first-in-first-out, last-in-first-out, or weighted average cost method provided the method adopted by the utility is used consistently from year to year and inventory records are maintained in accordance therewith. Commission approval must be obtained for any other pricing method or for any change in the pricing method adopted by the utility. Separate records shall be maintained for each storage project of the Mcf of gas delivered to storage and remaining in storage.

E. Adjustments for inventory losses shall be charged to account 842.3, Gas Losses.

Note: Provisions of note B-1 through note B-5, paragraph C and E of account 117, Gas Stored Underground--Noncurrent, shall likewise be applicable to this account.

165. Prepayments

This account shall include all payments for undelivered gas, whether prepayments or advance payments, and other prepayments for insurance, rents, taxes, interest and miscellaneous items, and shall be kept or supported in such a manner as to disclose the amount of each class of prepayments or advance payments.

Note A: Gas prepayments are amounts paid to a gas seller under take or pay provisions of an effective gas purchase contract for a sale certificated by the Federal Power Commission where future make-up of the gas not taken in the current period is provided by the contract.

Note B: Advance payments for gas (whether called "advance payments", "contribution", or otherwise) are amounts paid to others, including affiliated companies, for exploration, development, or production of natural gas: such amounts to be repaid by delivery of gas or otherwise. Such payments are made prior to any delivery of gas by payee under an effective gas purchase contract with payer, or prior to Federal and/or State authorization as appropriate. Noncurrent advance payments shall be reclassified and transferred to account 124, Other Investments, for balance sheet purposes.

171. Interest and Dividends Receivable

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., the payment of which is reasonably assured and the amount of dividends declared or guaranteed on stocks owned.

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

Note B: Interest and dividends receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

172. Rents Receivable

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

Note: Rents receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

173. Accrued Utility Revenues

At the option of the utility, the estimated amount accrued for service rendered, but not billed at the end of any accounting period, may be included herein. In case accruals are made for unbilled revenues, they shall be made likewise for unbilled expenses, such as for the purchase of gas.

174. Miscellaneous Current and Accrued Assets

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181. Unamortized Debt Expense

A. This account shall include expenses related to the issuance or assumption of debt securities. Amounts recorded in this account shall be amortized over the life of each respective issue under a plan which will distribute the amount equitably over the life of the security. The amortization shall be on a monthly basis, and the amount thereof shall be charged to account 428, Amortization of Debt Discount and Expense. Any unamortized amounts outstanding at the time that the related debt is prematurely reacquired shall be accounted for as indicated in Part 311 Instructions--General, § 311.20.

B. When the utility recognizes a mortgage recording tax as a tax deduction in the year incurred, account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, shall be debited and account 283, Accumulated Deferred Income Taxes--Other, shall be credited with the amount of the related tax effect, such amount to be amortized concurrently with the related debt expense.

182. Extraordinary Property Losses

A. When authorized or directed by the commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183.1 Preliminary Natural Gas Survey and Investigation Charges

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (See Part 313 Instructions--Gas Plant Accounts, § 313.7(g)(1)) charged with the amount of the expenditures related to such acquisition. If the project is abandoned, the expenditures related thereto shall be charged to account 338, Unsuccessful Exploration and Development Costs.

B. The records supporting the entries to this account shall be so kept that the utility can furnish, for each investigation, complete information as to the identification and location of territory investigated, the number or other identification assigned to the land tract or leasehold acquired, and the nature and respective amounts of the charges.

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

183.2 Other Preliminary Survey and Investigation Charges

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation, other than the acquisition of land and land rights to provide a future supply of natural gas. If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to account 426.5, Other Deductions, or the appropriate operating expense. (See Part 311 Instructions--General, § 311.7.)

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

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

184. Clearing Accounts

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

B. In addition to the clearing accounts otherwise specifically provided for in this system of accounts (150.152, Fuel Stock Expenses Undistributed and 150.163, Stores Expense Undistributed), the utility shall maintain any other clearing accounts necessary as a medium through which to accumulate initial costs and expenses with respect to particular types of transactions in order to facilitate the distribution and apportionment of charges on equitable bases among the appropriate accounts to which such charges are applicable. The following clearing accounts should be used unless it can be clearly demonstrated that their use is not necessary. (See Part 311 Instructions--General, § 311.2 (d) and 311.14

(b).) Clearing Accounts

184.1 Building Service Expenses--Clearing

184.2 Electronic Data Processing Expenses--Clearing

184.3 Laboratory Expenses--Clearing

184.4 Shop Expenses--Clearing

184.5 Tools and Work Equipment Expenses--Clearing

184.6 Transportation Expenses--Clearing

185. Temporary Facilities

This account shall include amounts shown by work orders for plant installed for temporary use in utility service for periods of less than one year. Such work orders shall be charged with the cost of temporary facilities and credited with payments received from customers and net salvage realized on removal of the temporary facilities. Any net credit or debit resulting shall be cleared to account 488, Miscellaneous Service Revenues.

186. Miscellaneous Deferred Debits

A. This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

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

187. Deferred Losses from Disposition of Utility Plant

This account shall include losses from the sale or other disposition of property previously recorded in account 105, Gas Plant Held for Future Use, under the provisions of paragraphs B, C and D thereof, when such losses are significant and the company has received commission approval to amortize such amounts to account 411.7, losses from Disposition of Utility Plant. Records shall be maintained so that amounts relating to each loss can be readily determined. (See account 105, Gas Plant Held for Future Use.)

188. Investment in Research and Development

A. This account shall include the cost of all expenditures coming within the meaning of definition (28) (ii) of the Uniform of Accounts, except those properly includible in account 107, Construction Work in Progress.

B. Costs that are minor or of a general or recurring nature shall be transferred from this account to the appropriate operating expense function or if such costs are common to the overall operations or cannot be feasibly allocated to the various operating accounts, then such costs shall be recorded in account 930.2, Miscellaneous General Expenses.

C. When expenditures on a research project are relatively so large that their inclusion in the operating accounts in the year in which they were incurred would seriously distort those accounts, the company may request commission approval to defer such expenditures in this account and amortize them over a future period. Without such approval, expenditures charged to this account shall not be carried beyond the year in which they occurred.

Note: With the approval of the commission, amortization of expenditures related to specific programs or projects may commence at a date subsequent to the year initial expenditures are incurred to provide for consistency of accounting and rate treatment.

D. The entries in this account shall be so maintained as to show separately each project with complete detail of the nature and purpose of the research and development undertaken together with related costs.

E. Balances in this account will be considered for rate base treatment as if the amounts were part of the cost of plant in service.

190. Accumulated Deferred Income Taxes

A. This account, when its use has been authorized by the commission, shall be debited and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or account 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, shall be credited with an amount equal to that by which income taxes payable for the year are higher because of the inclusion of certain items in income for tax purposes, which items for general accounting purposes, will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account shall be credited and account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, or account 410.2, Provision for Deferred Income Taxes, Other Income and Deductions, as appropriate, shall be debited with an amount equal to that by which income taxes payable for the year are lower because of prior payment of taxes as provided by paragraph A above, because of difference in timing for tax purposes of particular items of income or income deductions from that recognized by the utility for general accounting purposes. Such credit to this account and debit to account 410.1 or 410.2 shall, in general, represent the effect on taxes payable in the current year of the smaller amount of book income recognized for tax purposes as compared to the amount recognized in the utility's current accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the commission.

C. Vintage year records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factor of calculation with respect to each annual amount of the item or class of items for which deferred tax accounting by the utility is utilized.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not make use of the balance in this account or any portion thereof, except as provided in the text of this account, without prior approval of the commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be debited to account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, or account 410.2, Provision for Deferred Income Taxes, Other Income and Deductions, as appropriate, or otherwise disposed of as the commission may authorize or direct.

LIABILITIES AND OTHER CREDITS5. PROPRIETARY CAPITAL

201. Common Stock Issued

204. Preferred Stock Issued

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and, if not, the cash value of the consideration received for such stock without par value, of each class of capital stock actually issued, including such capital stock in account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more than the par or stated value of any stock having a par or stated value, the difference shall be credited to the premium account for the particular class and series.

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

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

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 shall be credited to account 207, Premium on Capital Stock.

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 stocks without par value except upon order of the commission.

202. Common Stock Subscribed

205. Preferred Stock Subscribed

A. These accounts shall include the amount of legally enforceable subscriptions to capital stock of the utility. They shall be credited with the par or stated value of the stock subscribed, or the subscription price of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to subscriptions to capital stock, included as a separate subdivision of account 143, Other Accounts Receivable, for the agreed price. Any premium on capital stock with par or stated value shall be included in the premium account.

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

203. Common Stock Liability for Conversion

206. Preferred Stock Liability for Conversion

A. These accounts shall include the par or stated value, or the cash value of the consideration for stock without par or stated value, as appropriate, of capital stock which the utility has agreed to exchange for outstanding securities of other companies in connection with the acquisition of properties of such companies under terms which allow the holders of the securities of the other companies to surrender such securities and receive in return therefor capital stock of the accounting utility.

B. When the securities of the other companies have been surrendered and capital stock issued in accordance with the terms of the exchange, these accounts shall be charged and accounts 201, Common Stock Issued, or 204, Preferred Stock Issued, as the case may be, shall be credited.

C. The records shall be kept so as to show separately the stocks of each class and series for which a conversion liability exists.

207. Premium on Capital Stock

A. This account shall include in a separate subdivision for each class and series of stock, the excess of the actual cash value of the consideration received on original issues of capital stock over the par or stated value and accrued dividends of such stock, together with assessments against stockholders representing payments required in excess of par or stated values.

B. Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expenses of another issue of the same class or series.

C. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be transferred to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock.

208. Donations Received from Stockholders

This account shall include the balance of credits for donations received from stockholders consisting of capital stock of the utility, cancellation or reduction of debt of the utility, and the cash value of other assets received as a donation.

209. Reduction in Par or Stated Value of Capital Stock

This account shall include the balance of credits arising from a reduction in the par or stated value of capital stock.

210. Gain on Resale or Cancellation of Reacquired Capital Stock

This account shall include the balance of credits arising from the resale or cancellation of reacquired capital stock. (See account 217, Reacquired Capital Stock.)

211. Miscellaneous Paid-in Capital

This account shall include the balance of all other credits for paid-in capital which are not properly includible in the foregoing accounts.

Note: Amounts included in unearned surplus at the effective date of this system of accounts which cannot be classified as to the source thereof shall be included in this account.

212. Installments Received on Capital Stock

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan from subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value, or the consideration received for stock without par or stated value. Any premium on capital stock with par or stated value shall be included in the premium account.

214. Capital Stock Expense

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock, provided, however, that the amount shall be charged to account 439, Adjustments to Retained Earnings, to the extent that it exceeds the balance in account 210.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 439, Adjustments to Retained Earnings.

Note: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215. Appropriated Retained Earnings.

This account shall include the amount of retained earnings which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216. Unappropriated Retained Earnings.

This account shall include the balance, either debit or credit, of unappropriated retained earnings arising from earnings of the utility. This account shall not include any amounts representing the undistributed earnings of subsidiary companies.

216.1 Unappropriated Undistributed Subsidiary Earnings

This account shall include the balance, either debit or credit, of undistributed retained earnings of subsidiary companies since their acquisition. When dividends are received from subsidiary companies relating to amounts included in this account, this account shall be debited and account 216, Unappropriated Retained Earnings, credited.

217. Reacquired Capital Stock

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or cancelled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or cancelled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value (or the proportionate amount at which it is recorded in accounts 201 or 204 in the case of stock without par or stated value) plus any premium and less any expense applicable to the shares retired, shall be debited or credited as appropriate, to account 210, Gain on Resale or Cancellation of Reacquired Capital Stock; provided, however, that debits shall be charged to account 439, Adjustments to Retained Earnings, to the extent that they exceed the balance in account 210.

C. Subject to the specific authorization or direction of the commission, (see section 69 of Public Service Law) when reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

6. LONG-TERM DEBT

221. Bonds

This account shall include in a separate subdivision for each class and series of bonds the face value of the actually issued and unmatured bonds which have not been retired or canceled; also the face value of such bonds issued by others the payment of which has been assumed by the utility.

222. Reacquired Bonds

A. This account shall include the face value of bonds actually issued or assumed by the utility and reacquired by it and not retired or canceled. (See section 69 of Public Service Law.) The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition shall be accounted for in accordance with provisions set forth in general instruction 311.20.

223. Advances from Associated Companies

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies. (See general instruction 311.14.)

224. Other Long-term Debt

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption. (See balance sheet instruction 312.2.)

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

Note: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 222, Reacquired Bonds.

225. Unamortized Premium on Long-term Debt

A. This account shall include the excess of the cash value of consideration received over the face value upon the issuance or assumption of long-term debt securities.

B. Amounts recorded in this account shall be amortized over the life of each respective issue under a plan which will distribute the amount equitably over the life of the security. The amortization shall be on a monthly basis, with the amounts thereof to be credited to account 429, Amortization of Premium on Debt--Credit. (See general instruction 311.20.)

226. Unamortized Discount on Long-term Debt--Debit

A. This account shall include the excess of the face value of longterm debt securities over the cash value of consideration received therefor, related to the issue or assumption of all types and classes of debt.

B. Amounts recorded in this account shall be amortized over the life of the respective issues under a plan which will distribute the amount equitably over the life of the securities. The amortization shall be on a monthly basis, with the amounts thereof charged to account 428, Amortization of Debt Discount and Expense. (See general instruction 311.20.)

7. CURRENT AND ACCRUED LIABILITIES

231. Notes Payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232. Accounts Payable.

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

233. Notes Payable to Associated Companies

234. Accounts Payable to Associated Companies

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

Note: Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235. Customer Deposits

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

236. Taxes Accrued

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, see general instruction 311.7(b).

C. Accruals for taxes shall be based upon the net amounts payable after credit for any discounts, and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237. Interest Accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238. Dividends Declared

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

239. Matured Long-term Debt

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

240. Matured Interest

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

241. Tax Collections Payable

This account shall include the amount of taxes collected by the utility through payroll deductions or otherwise pending transmittal of such taxes to the proper taxing authority.

Note: Do not include liability for taxes assessed directly against the utility which are accounted for as part of the utility's own tax expense.

242. Miscellaneous Current and Accrued Liabilities

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

8. DEFERRED CREDITS

252. Customer Advances for Construction

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to the gas plant accounts to which the cost of the property was charged.

253. Other Deferred Credits

A. This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

B. Amounts for contributions in aid of construction still remaining in the account "Contributions in Aid of Construction" at the effective date of the uniform system of accounts prescribed herein shall be credited temporarily to an appropriate subdivision of this account and shall be disposed of in accordance with provisions of gas plant instruction 313.2, subdivision (e).

255. Accumulated Deferred Investment Tax Credits

A. This account shall be credited with investment tax credits allowed in the current year on property defined in *section 50 of the Internal Revenue Code of 1954*, when the utility elects to defer such credits rather than to recognize in the income statement the total benefits of the tax credits as realized. The utility may not transfer amounts from this account except as authorized herein and in accounts 411.4, Investment Tax Credit Adjustments, Utility Operations; 411.5, Investment Tax Credit Adjustments, Nonutility, Operations and 420, Investment Tax Credits, or with approval of the commission (See special instructions for accounts 411.4 and 411.5.)

B. If the investment tax credits deferred in this account are to be applied as a reduction of the rate base, the utility shall amortize the amount of such deferrals by debiting this account and crediting account 420, Investment Tax Credits with a proportionate amount determined in relation to the book service life of the property to which the tax credits relate. If, however, the deferred investment tax credits are to be applied as a reduction of the cost of service, the proportionate restorations to income shall be credited to account 411.4, Investment Tax Credit Adjustments, Utility Operations.

C. Subdivisions of this account by department shall be maintained for deferred investment tax credits which are related to utility operations other than gas or to nonutility operations. Accounting procedures adopted for utility and nonutility operations are to be followed on a consistent basis.

D. Separate records shall be maintained for each year's investment tax credit for gas and other utility operations (by primary utility plant accounts) and for nonutility operations, identifying the properties giving rise to the investment tax credits for each year so that they can be amortized over the weighted average book service life of such properties.

E. The utility is restricted in its use of this account to the purposes set forth above. Unless otherwise authorized by the commission, the utility shall not record in this account amounts of investment tax credits allowed on property other than that defined in *Section 50 of the Internal Revenue Code of 1954*. Such amounts of investment tax credits shall be treated as a current reduction of income tax expense unless the commission has authorized other disposition.

256. Deferred Gains from Disposition of Utility Plant

This account shall include gains from the sale or other disposition of property previously recorded in account 105, Gas Plant Held for Future Use, under the provisions of paragraph B, C, and D thereof, when such gains are significant and the company has received commission approval to amortize such amounts to account 411.6, Gains from Disposition of Utility Plant. Records shall be maintained so that amounts relating to each gain can be readily determined. (See account 105, Gas Plant Held for Future Use.)²⁸¹. Accumulated Deferred Income Taxes--Accelerated Amortization

A. This account shall be credited and account 410.1, Provision for Deferred income Taxes, Utility Operating Income, or 410.2, Provision for Deferred Income Taxes, Other Income and Deductions, as appropriate, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (five-year) amortization of (1) certified defense facilities in computing such taxes, as permitted by *section 168 of the Internal Revenue Code of 1954* and (2) certified pollution control facilities in computing such taxes, as permitted by *section 169 of the Internal Revenue Code of 1954*, as compared to the depreciation (deduction) otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411.1, Provision for Deferred Income Taxes--credit, Utility Operating Income or 411.2, Provision for Deferred Income Taxes--Credit, Other income and Deductions, as appropriate, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of accelerated (five-year) amortization of (1) certified defense facilities and (2) pollution control facilities instead of nonaccelerated or nonliberalized depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411.1 or 411.2, shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not mandatory for any utility which, in accordance with a consistent policy, elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility or certified pollution control facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the commission.

E. The utility is restricted in its use of this account to the purpose set forth above. It shall not transfer the balance in this account or any portion thereof to retained earnings or make any use thereof except as provided in the text of this account without prior approval of the commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility or certified pollution control facility for which deferred tax accounting has been followed, shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement from service of such facility or predominant part thereof be credited to account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, or otherwise be applied as the commission may authorize or direct.

F. Upon the disposition by sale, exchange, transfer, abandonment or premature retirement of plant of which there is a related balance herein, this account shall be charged with an amount equal to the related income tax expense, if any, arising from such disposition and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, shall be credited. When the remaining balance, after consideration of any related income tax expenses, is less than \$ 25,000 this account shall be charged and account 411.1 or 411.2, as appropriate, credited with such balance. If after consideration of any related income tax expense, there is a remaining amount of \$ 25,000 or more, the commission shall authorize or direct how such amount shall be accounted for at the time approval for the disposition of accounting is granted. When plant is disposed of by transfer to a wholly owned subsidiary, the related balance in this account shall also be transferred. When the disposition related to retirement of an item or items under a group method of depreciation, where there is no tax effect in the year of retirement, no entries are required in this account if it can be determined that the related balances would be necessary to be retained to offset future group item tax deficiencies.

Note: If, in addition to a gas utility department, the utility operates another department, such as electric, steam, etc. or has nonutility property for which related deferred taxes on income are included in this account, such deferrals shall be classified so as to show separately amounts related to the utility operating income of each department and to other income and deductions.282. Accumulated Deferred Income Taxes--Liberalized Depreciation

A. This account, when authorized by the commission, shall be used for the deferral and normalization of tax differentials resulting from the use of liberalized depreciation as permitted by *section 167 of the Internal Revenue Code of 1954*. It shall also be used for the deferral and normalization of tax differentials resulting from the use of the Class Life Asset Depreciation Range, as provided and required by the Revenue Act of 1971.

Note: Tax differentials resulting from the current deduction of the cost of removal included in the Class Life Asset Depreciation Range provisions of the Revenue Act of 1971 shall be included in account 283. Also, companies taking liberalized depreciation and flowing through the tax effect on January 1, 1972, shall continue to flow through these tax effects.

B. This account shall be credited and account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, or 410.2, Provision for Deferred Income Taxes, Other Income and Deductions, as appropriate, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by *section 167 of the Internal Revenue Code of 1964*, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other non-liberalized method of depreciation to include those accumulated tax deferrals arising from the use of the Class Life Asset Depreciation Range, as provided and required by the Revenue Act of 1971.

C. This account shall be debited and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph B above. Such debit to this account and credit to account 411.1 or 411.2 shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation including Class Life Asset Depreciation Range was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

D. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year of each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

E. Except for tax deferrals arising from the use of Class Life Asset Depreciation Range, the use of this account and the accounting described above are not permitted for any utility even though liberalized depreciation is used in computing taxes on income, unless prior approval of the commission is obtained. If, as authorized herein, deferred tax accounting is initiated with respect to any property, such accounting shall not be discontinued on that property without approval of the commission.

F. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to retained earnings or make any use thereof except as provided in the text of this account without prior approval of the commission. Any remaining deferred tax reserve balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed or, upon retirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life of which the depreciation calculations for tax purposes are based, shall be credited to account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, or otherwise applied as the commission may authorize or direct.

G. Upon the disposition by sale, exchange, transfer, abandonment or premature retirement of plant on which there is a related balance herein, this account shall be charged with an amount equal to the related income tax expense, if any, arising from such disposition and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, shall be credited. When the remaining balance, after consideration of any related income tax expenses, is less than \$ 25,000, this account shall be charged and account 411.1 or 411.2, as appropriate, credited with such balance. If after consideration of any related income tax expense, there is a remaining amount of \$ 25,000 or more, the commission shall authorize or direct how such amount shall be accounted for at the time approval for the disposition of accounting is granted. When plant is disposed of by transfer to a wholly owned subsidiary, the related balance in this account shall also be transferred. When the disposition relates to retirement of an item or items under a group method of depreciation where there is no tax effect in the year of retirement, no entries are required in this account if it can be determined that the related balances would be necessary to be retained to offset future group item tax deficiencies.

Note: If in addition to a gas utility department, the utility operates another department, such as electric, steam, etc. or has nonutility property for which related deferred taxes on income are included in this account, such deferrals shall be classified so as to show separately amounts related to the utility operating income of each department and to other income and deductions.

283. Accumulated Deferred Income Taxes--Other

A. This account, when its use has been authorized by the commission, shall be credited and account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, or 410.2, Provision for Deferred Income Taxes, Other Income and Deductions, as appropriate, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation, in the computation of income taxes which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years. However, commission approval is not required for transactions described in Part 311, Instructions--General § 311.20(d), and in account 181, Unamortized Debt Expense. Also, without commission approval, this account and the accounting provided herein shall be used for the deferral and amortization of the tax effects resulting from the current deduction of gas exploration and development costs, and the cost of removal included in the Class Life Asset Depreciation Range provisions of the Revenue Act of 1971.

B. This account shall be debited and account 411.1, Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, as appropriate, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A, above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411.1 or 411.2, shall, in general, represent the effect on taxes payable in the current year of the smaller deduction permitted for tax purposes as compared to the amount recognized in the utility's current accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the commission.

C. Vintage year records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items for which deferred tax accounting by the utility is utilized.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to retained earnings or to any other account or make any use thereof except as provided in the text of this account, without prior approval of the commission. Upon the disposition by sale, exchange, transfer, abandonment or premature retirement of items on which there is a related balance herein, this account shall be charged with an amount equal to the related income tax effect, if any, arising from such disposition and account 411.1,

Provision for Deferred Income Taxes--Credit, Utility Operating Income, or 411.2, Provision for Deferred Income Taxes--Credit, Other Income and Deductions, shall be credited. When the remaining balance, after consideration of any related tax expenses, is less than \$ 25,000, this account shall be charged and account 411.1 or 411.2, as appropriate, credited with such balance. If after consideration of any related income tax expense, there is a remaining amount of \$ 25,000 or more, the commission shall authorize or direct how such amount shall be accounted for at the time approval for the disposition of accounting is granted. When plant is disposed of by transfer to a wholly owned subsidiary, the related balance in this account shall also be transferred. When the disposition relates to retirement or an item or items under a group method of depreciation where there is no tax effect in the year of retirement, no entries are required in this account if it can be determined that the related balance would be necessary to be retained to offset future group item tax deficiencies.

Note: In determining appropriate use of this account as a basis of request to the commission for authorization of its use, for the deferral of taxes, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate, such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

9. OPERATING RESERVES

261. Property Insurance Reserve

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. The amounts charged to account 924, Property Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used. (See general instruction 311.11.)

B. Charges shall be made to this account for losses covered by selfinsurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262. Injuries and Damages Reserve

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility. (See general instruction 311.11.)

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

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

263. Pensions and Benefits Reserve

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts. (See general instructions 311.11 and 311.16; and operating expense account 926, Employee Pensions and Benefits.)

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

Note: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

265. Miscellaneous Operating Reserves

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

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

Note: This account includes only such reserves as may be created for operating purposes and does not include any reservations of retained earnings the credits of which should be carried in account 215, Appropriated Retained Earnings.

GAS PLANT ACCOUNTS

1. INTANGIBLE PLANT

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

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

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

B. NATURAL GAS PRODUCTION PLANT

Natural Gas Production and Gathering Plant

- 325.1 Producing Lands
- 325.2 Producing Leaseholds
- 325.3 Gas Rights
- 325.4 Rights-of-Way
- 325.5 Other Land and Land Rights
- 326. Gas Well Structures
- 327. Field Compressor Station Structures
- 328. Field Measuring and Regulating Station Structures
- 329. Other Structures

- 330. Producing Gas Wells--Well Construction
- 331. Producing Gas Wells--Well Equipment
- 332. Field Lines
- 333. Field Compressor Station Equipment
- 334. Field Measuring and Regulating Station Equipment
- 335. Drilling and Cleaning Equipment
- 336. Purification Equipment
- 337. Other Equipment
- 338. Unsuccessful Exploration and Development Costs

3. NATURAL GAS STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

- 350.1 Land
- 350.2 Rights-of-Way
- 351. Structures and Improvements
- 352. Wells
 - 352.1 Storage Leaseholds and Rights
 - 352.2 Reservoirs
 - 352.3 Nonrecoverable Natural Gas
- 353. Lines
- 354. Compressor Station Equipment
- 355. Measuring and Regulating Equipment
- 357. Other Equipment

B. OTHER STORAGE PLANT

- 360. Land and Land Rights
- 361. Structures and Improvements
- 362. Gas Holders
- 363. Purification Equipment
 - 363.1 Liquefaction Equipment
 - 363.2 Vaporizing Equipment
 - 363.3 Compressor Equipment
 - 363.4 Measuring and Regulating Equipment
 - 363.5 Other Equipment

4. TRANSMISSION PLANT

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

- 368. Compressor Station Equipment
- 369. Measuring and Regulating Station Equipment
- 371. Other Equipment

5. DISTRIBUTION PLANT

- 374. Land and Land Rights
- 375. Structures and Improvements
- 376. Mains
- 377. Compressor Station Equipment
- 378. Measuring and Regulating Station Equipment
- 380. Services
- 381. Meters
- 382. Meter Installations
- 383. House Regulators
- 384. House Regulator Installations
- 385. Industrial Measuring and Regulating Station Equipment
- 386. Other Property on Customers' Premises
- 387. Other Equipment

6. GENERAL PLANT

- 389. Land and Land Rights
- 390. Structures and Improvements
- 391. Office Furniture and Equipment
- 392. Transportation Equipment
- 393. Stores Equipment
- 394. Tools, Shop, and Garage Equipment
- 395. Laboratory Equipment
- 396. Power Operated Equipment
- 397. Communication Equipment
- 398. Miscellaneous Equipment
- 399. Other Tangible Property

1. INTANGIBLE PLANT

- 301. Organization

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

ITEMS

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

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

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

Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302. Franchises and Consents

A. This account shall include amounts paid to the federal government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates. It shall include necessary and reasonable expense incident to obtaining permission and approval to exercise such rights and privileges when the applications therefor are acted upon favorably by the regulatory body. Such expenses include fees for legal and other professional service, expenses of witnesses, cost of newspaper and other advertisements, etc., and pay and expenses of employees engaged in preparing exhibits and other data for hearings. If an application for a franchise, consent, or certificate is denied, expenditures incident to the application shall be charged to account 426.5, Other Deductions or account 435, Extraordinary Deductions, as appropriate.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 426.5, Other Deductions.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or to account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

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

303. Miscellaneous Intangible Plant

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

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service, as appropriate.

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

2. PRODUCTION PLANT

A. Manufactured Gas Production Plant

304. Land and Land Rights

This account shall include the cost of land and land rights used in connection with manufactured gas production. (See gas plant instruction 313.7.)

305. Structures and Improvements

This account shall include the cost of structures and improvements used in connection with manufactured gas production. (See gas plant instruction 313.8.)

Note: Include relief holders in this account.

306. Boiler Plant Equipment

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

ITEMS

1. Accumulators.
2. Air preheaters, including fans and drives, and ducts not part of building.
3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.
4. Belt conveyors, including drives.
5. Blast gate valves.
6. Blow-down tanks and piping.
7. Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.
8. Cinder and dust catcher system, including mechanical and electric types.
9. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.
10. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.
11. Control apparatus.
12. Cranes, hoists, etc., wholly identified with apparatus listed herein.
13. Desuperheaters and reducing valves.
14. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.
15. Economizers.
16. Emergency lighting systems, not part of building, keep-a-lite systems, etc.
17. Emergency signal systems, in connection with boiler operation.
18. Feed water heaters, including primary and stage.
19. Flues, uptakes, and breeching, whether or not stacks are included in this account.
20. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
21. Furnaces.
22. Gas firing system, including gas lines, burners, etc., for gas fired boilers.
23. Injectors.
24. Mechanical stoker and feeding systems, clinker grinders, including drives.
25. Meters, gauges, recording instruments, etc.
26. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping and conditioning apparatus.

27. Painting, first cost.
28. Panels, control (for operating apparatus listed herein).
29. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water, feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.
30. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
31. Pulverizing equipment.
32. Pumps and driving units, for feed water, heater condensate, condenser water, and drip.
33. Stacks--brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.
34. Steam reheaters.
35. Steelwork, especially constructed for apparatus listed herein.
36. Tanks, including surge, weighing, return, blow-off, feed water storage.
37. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
38. Waste heat boilers and accessory equipment.
39. Water treatment system, including purifiers, settling tanks, filters, chemical mixing and dosing apparatus, etc.

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

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

307. Other Power Equipment

A. This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.

B. This account shall also include the cost installed of miscellaneous power equipment at gas production plants which is not included in any other account.

ITEMS

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

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

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

310. Water Gas Generating Equipment

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

ITEMS

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

21. Oil handling and storage apparatus used solely for water gas apparatus (tanks, pumps and oil lines, oil heaters, manholes, valve pits, regulators, strainers, etc.).

22. Oil spray.

23. Operating floors and supports, stairways, etc.

24. Piling under foundations.

25. Piping and valves--steam (commencing at steam header), tar (to decanter), water (inside of building), and gas (up to outlet of final pieces of apparatus in building).

26. Pressure regulators.

27. Scales, when used in connection with items in this account.

28. Seal pots.

29. Superheaters and superheater stacks.

30. Tanks, hydraulic pressure.

31. Valve operating mechanisms.

32. Wash boxes.

33. Waste heat boilers and associated equipment.

311. Liquefied Petroleum Gas Equipment

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

B. Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate subaccount shall be maintained also for bottling equipment included herein.

ITEMS

1. Blowers.

2. Boilers.

3. Calorimixer.

4. Carbureting equipment.

5. Compression equipment.

6. Controller.

7. Control apparatus.

8. Enclosures and protective fences.

9. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.

10. Heat exchanger.

11. Gauges and instruments.

12. Mixing or proportioning equipments.

13. Motors, not an integral part of driven equipment.

14. Odorizing equipment.

15. Oil separator.

16. Piping--steam (commencing at steam header), water (inside of building), oil (from supply tank), and gas (up to outlet of final piece of apparatus in building).

17. Pits.
18. Prime movers.
19. Pumps, including driving units.
20. Regulator.
21. Stairs, platforms, and ladders.
22. Storage equipment, tanks, etc.
23. Superheater.
24. Traps.
25. Valves--regulating and check.
26. Vaporizing equipment.
312. Oil Gas Generating Equipment

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

ITEMS

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

313. Generating Equipment--Other Processes

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

314. Coal, Coke, and Ash Handling Equipment

This account shall include the cost installed of structures or equipment used for the transportation, storage, washing, and treatment of coal, coke, and ashes, when used for general gas plant operations.

ITEMS

1. Bins--mixing, refuse, storage, etc.
2. Boom operating mechanisms.
3. Breaker equipment.
4. Bridges, bridge track, and machinery.
5. Bucket conveyors and supports.
6. Capstan.

7. Cars.
8. Chutes.
9. Circuit breakers.
10. Coal loaders.
11. Coal preparation machinery, including washing and drying equipment.
12. Conduit, electrical.
13. Conveyors and supports.
14. Crane, caterpillar.
15. Driving apparatus for equipment listed herein.
16. Elevators.
17. Enclosure equipment.
18. Engines, not an integral part of driven equipment.
19. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
20. Gravity swing unloader.
21. Hoppers.
22. Instruments or meters, electrical.
23. Ladders, fixed.
24. Loading towers and equipment.
25. Locomotives.
26. Motor generators used only for equipment in this account.
27. Panel, control.
28. Pits.
29. Pulverizing equipment.
30. Railroad sidings and yard tracks.
31. Sampling equipment.
32. Scales.
33. Screens.
34. Sheds and fencing.
35. Shuttle boom.
36. Signal system equipment.
37. Silo.
38. Skip hoist.
39. Stairs, railings, etc.
40. Transfer cars and trucks.
41. Trestles.
42. Turntable.

43. Unloaders.

44. Weighometer.

315. Catalytic Cracking Equipment

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

ITEMS

1. Caloric meters.

2. Catalytic furnace, including catalyst and foundation.

3. Combustion air blowers.

4. Compressors, air.

5. Control equipment.

6. Cooling coils, including foundations.

7. Cooling towers, including foundations.

8. Enclosures.

9. Fractionalizing units.

10. Piping and valves.

11. Preheaters.

12. Pressure regulators.

13. Proportioning controls.

14. Tanks.

15. Vaporizers.

316. Other Reforming Equipment

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

ITEMS

1. Blast equipment, including blowers and driving units, piping, and supports.

2. Control apparatus.

3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.

4. Fuel and ash handling equipment, used wholly in reforming gas.

5. Oil gas apparatus, used for reforming gas.

6. Piping--steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).

7. Pumps and driving units.

8. Purifiers for gas to be reformed.

9. Regulators.

10. Water gas generators, used primarily for reforming gas.

317. Purification Equipment

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

ITEMS

1. Blowers for revivifying.
2. Blowers for activators.
3. Condensers and washer coolers.
4. Control apparatus--conduit, cable, cabinets, switchboards, etc.
5. Crane or cover lifting equipment, not part of the structure.
6. Dehydrators.
7. Engines, not an integral part of driven equipment.
8. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
9. Instruments and meters, electric.
10. Lubricators.
11. Naphthalene and light oil scrubbers.
12. Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
13. Oxide elevators and pits, platforms, tables, and trenches.
14. Piping--air, steam, water, gas, condensate, liquor, tar, etc., from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
15. Precipitators.
16. Purifier--iron oxide or liquid, including first filling.
17. Recording gauges and thermometers.
18. Revivifying air ducts.
19. Saturator with auxiliary equipment.
20. Scrubbers.
21. Seal and drip pots.
22. Signal system identified with equipment herein.
23. Sulphur removal apparatus.
24. Tar extractors and Cottrell precipitators.
25. Tar pumps and tanks.
26. Track runs for cranes and hoists.
27. Wash boxes.
28. Water meters, for cooling water.
318. Residual Refining Equipment

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

ITEMS

1. Ammonia still, condensers, saturators, etc.
2. Apparatus for removal of residuals from purifier liquids.

3. Coke filter.
4. Coke handling and storage facilities, used solely for coke held for sale.
5. Condensers.
6. Control apparatus.
7. Coolers.
8. Decanters.
9. Foundations specially constructed for and not intended to outlast the apparatus for which provided.
10. Gauges.
11. Heating equipment for apparatus included in this account.
12. Instruments.
13. Light oil stills, washers, etc.
14. Piping and pumps.
15. Platforms, stairs, and ladders.
16. Separators.
17. Storage tanks.
18. Supports.
19. Tar dehydrators, stills, etc.
319. Gas Mixing Equipment

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

ITEMS

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

16. Regulators, pressure and ratio.

17. Safety alarm equipment.

320. Other Equipment

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

B. This account shall be subdivided to show separately laboratory equipment, yard piping, and miscellaneous equipment.

ITEMS

1. Cabinet, control.

2. Compressed air system.

3. Fire hose carts.

4. First aid room equipment.

5. Foamite system.

6. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided.

7. Odorizing equipment.

8. Oil foggers.

9. Panel, control.

10. Piping--yard, when not includible in other accounts.

11. Pits.

12. Platforms.

13. Production laboratory equipment.

14. Special signal equipment.

15. Works exhauster including driving units and governor. 16. Works station meters, including gauges, piping and accessories.

Note A: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

Note B: When production laboratory equipment is used jointly for manufactured gas and natural gas, the entire installation may be included either in this account or in account 337, Other Equipment (Natural Gas Production and Gathering Plant).

Note C: Odorizing equipment or oil foggers and saturators in pumping or regulating pits on transmission or distribution mains, may be included in the account for transmission or distribution pumping and regulating equipment.

B. Natural Gas Production Plant Natural Gas Production and Gathering Plant Special Instructions

Costs Related to Leases. The net book value of amounts recorded in the natural gas production accounts incurred on or related to leases acquired by the utility, shall, in general, not exceed the net realizable value (estimated selling price less estimated costs of extraction, completion and disposal) of recoverable hydrocarbon reserves discovered on such leases. After initiation of exploration and development on leases, the utility must determine after a reasonable period of time, and annually thereafter, whether the net realizable value of such recoverable reserves will be sufficient to absorb the net book value of amounts recorded in the accounts. The recoverable reserves shall be determined and attested to by independent appraisers no less frequently than every three years. If the net realizable value of recoverable reserves is not sufficient to absorb the net book value of amounts in the production accounts, the utility shall reduce the net book value of the amounts in the accounts to net realizable value of recoverable reserves. The reduction shall be

made by first reducing the unamortized amounts recorded in account 338, Unsuccessful Exploration and Development Costs, by debiting account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights. Next, if the net book value related to successful costs exceeds the net realizable value of the recoverable reserves, the production plant accounts shall be written down to such net realizable value by appropriate charges and credits to the expense and valuation accounts. However, if the amount of the reduction to net realizable value of recoverable reserves as determined above is so large that its inclusion in the operating accounts in the year in which it is recognized would seriously distort those accounts, the company may request commission approval to defer such a reduction and amortize it over a future period. If, within one year from the date of such approval, a utility's recoverable reserves as provided above is sufficient to support also the unamortized balance of such costs, it shall reinstate these costs in the appropriate plat accounts, provided that the costs have not received consideration in rates. With the approval of the commission, amortization of the reduction to net realizable value of recoverable reserves may commence at a date subsequent to the year in which such a reduction is recognized to provide for consistency of accounting and rate treatment.

325.1 Producing Lands

This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See gas plant instruction 313.7, subd. (g).)

325.2 Producing Leaseholds

A. This account shall include the cost of acquiring leaseholds on which the utility pays royalties for natural gas obtained therefrom. (See gas plant instruction 313.7, subd. (g).)

B. Exclude from this account rents paid periodically for rights obtained under leases. Exclude also from this account the cost of leaseholds which terminate in one year or less after they become effective.

325.3 Gas Rights

This account shall include the cost of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 325.2, Producing Leaseholds.

325.4 Rights-of-Way

This account shall include the cost of all interests in land which terminate more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas. (See Part 313 Instructions--Gas Plant Accounts, § 313.7.)

325.5 Other Land and Land Rights

This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts. (See Part 313 Instructions--Gas Plant Accounts, § 313.7.)

326. Gas Well Structures

This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See Part 313 Instructions--Gas Plant Accounts, § 313.8.)

327. Field Compressor Station Structures

This account shall include the cost of structures and improvements used in connection with the housing of compressor station equipment used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines. (See Part 313 Instructions--Gas Plant Accounts § 313.8.)

328. Field Measuring and Regulating Station Structures

The account shall include the cost of structures and improvements used in connection with the housing of meters, regulators and appurtenant appliances for measuring and regulating natural gas before the point where it enters the transmission or distribution system. (See Part 313 Instructions--Gas Plant Accounts, § 313.8.)

329. Other Structures

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering not provided for elsewhere. (See Part 313 Instructions--Gas Plant Accounts, § 313.8.)

330. Producing Gas Wells--Well Construction

This account shall include the cost of drilling producing gas wells.

ITEMS

1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
9. Hauling well equipment.
10. Shooting, fracturing, acidizing.

Note A: For detailed records of well construction, see general instruction 311.12.

Note B: Cost of drilling, etc., incurred in connection with dry holds shall be charged as provided in account 796, Nonproductive Well Drilling.

331. Producing Gas Wells--Well Equipment

This account shall include the cost of equipment in producing gas wells.

ITEMS

1. Bailing equipment.
2. Boilers and drives permanently connected.
3. Casing.
4. Derrick.
5. Fence, when solely an enclosure for equipment.
6. Fittings, including shutin valves, bradenheads and casing heads.
7. Packing.
8. Tank, oil or water, etc.
9. Tubing.

332. Field Lines

This account shall include the cost installed of field lines used in conveying natural gas from the wells to the point where it enters the transmission or distribution system.

ITEMS 1. Gathering lines, including pipe, valves, fittings, and supports.

2. Cathodic protection equipment.
3. Creek crossings, suspension bridges and other special construction.
4. Line drips and separators.

333. Field Compressor Station Equipment

This account shall include the cost installed of compressor station equipment and associated appliances used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

334. Field Measuring and Regulating Station Equipment

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating natural gas collected in field lines before the point where it enters the transmission or distribution system.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type. (See note to gas plant instruction 313.8, subd. (c).)

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

335. 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. Bits and other drilling tools.

3. Boilers.
4. Derricks.
5. Drilling cables.
6. Drilling machines.
7. Engines.
8. Motors.
9. Pulling machines.
10. Pumps.
11. Rigs.
12. Tanks.

336. Purification Equipment

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

Note: In general, this account shall include all dehydrators located in or adjacent to production areas which are used to remove water and other stray liquids from gas produced by the utility or purchased in adjacent to production areas. In some instances, such dehydrators may be located some* from the production sources of the gas. Where, however, the utility has no production and gathering facilities with respect to any of the gas passing through the dehydrators, such as at the purchase point at use head of a transmission pipe line company, the dehydrators may be included in account 368, Compressor Station Equipment, or account 367, Mains, whichever is the most practicable and reasonable under the circumstances.

* So in original

337. Other Equipment

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

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Laboratory equipment.

5. Odorizing unit.

6. Oil fogger.

Note A: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

Note B: When production laboratory equipment is used jointly for manufactured gas and natural gas the entire installation may be included either in this account or in account 320, Other Equipment.

Note C: Odorizing equipment or oil foggers and saturators in pumping or regulating pits on transmission or distribution mains, may be included in the account for transmission or distribution pumping and regulating equipment, as appropriate.

338. Unsuccessful Exploration and Development Costs

A. This account shall include unsuccessful exploration and development costs incurred on or related to hydrocarbon leases, on properties in the contiguous 48 States and the State of Alaska. It shall also include costs of a preliminary nature incurred in the search for natural gas.

B. The costs recorded in this account shall be amortized by debiting account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights, and crediting this account using the unit-of-production or other acceptable method of amortization as hydrocarbons are extracted from producing wells.

C. In general, the unamortized costs recorded in this account shall not exceed the net realizable value (estimated selling price less estimated costs of extraction, completion and disposal) of proven hydrocarbon reserves. (See Special Instructions--Costs Related to Leases, above).

Note: Records of the costs and characteristics of non-productive wells shall conform, as appropriate, to the requirements of the note to general instruction 311.12, records for each plant and for territorial subdivisions.

3. NATURAL GAS STORAGE PLANT

A. Underground Storage Plant

350.1 Land

This account shall include the cost of lands held in fee on which underground storage wells are located, and other lands held in fee within an area utilized for the underground storage of gas. (See gas plant instruction 313.7, subd.(g).)

350.2 Rights-of-Way

This account shall include the cost of all interests in land which do not terminate until more than one year after they become effective and on which are located underground storage lines, telephone pole lines, and like property used in connection with underground gas storage operations. (See gas plant instruction 313.7.)

351. Structures and Improvements

A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See gas plant instruction 313.8.)

B. This account shall be subdivided as follows:

351.1 Well Structures.

351.2 Compressor Station Structures.

351.3 Measuring and Regulating Station Structures.

351.4 Other Structures.

352. Wells

This account shall include the drilling cost of wells used for injection and withdrawal of gas from underground storage projects, including wells kept open and used for observation.

352.1 Storage Leaseholds and Rights

A. This account shall include the cost of leaseholds, storage rights, mineral deeds, etc., on lands for the purpose of utilizing subsurface reservoirs for underground gas storage operations. (See gas plant instruction 313.7.)

B. Exclude from this account rents or other charges paid periodically for use of subsurface reservoirs for underground gas storage purposes.

Note: Items such as buildings, wells, lines, equipment and recoverable gas used in storage operations acquired with land or storage leaseholds and rights are to be classified in the appropriate accounts.

352.2 Reservoirs

This account shall include costs to prepare underground reservoirs for the storage of natural gas.

ITEMS

1. Geological, geophysical and seismic costs.
2. Plugging abandoned wells.
3. Fuel and power.
4. Drilling and equipping fresh water wells, disposal wells, and solution wells.
5. Leaching of salt dome caverns.
6. Rentals on storage rights and leases incurred during construction and development period.
7. Gas used during the development period.
8. Costs incident to maintaining covenants of production leaseholds during the period required to convert them to storage leaseholds.
9. Other rehabilitation work.

352.3 Nonrecoverable Natural Gas

A. This account shall include that cost of gas in underground reservoirs, including depleted gas or oil fields and other underground caverns or reservoirs used for the storage of gas which will not be recoverable.

B. Such nonrecoverable gas shall be priced at the acquisition cost of native gas or, when acquired for storage by purchase or presumed to be supplied from the utility's own production, priced as outlined in paragraph B of account 117, Gas Stored Underground-Noncurrent. After devotion to storage, the cost of the gas shall not be restated to effect subsequent price changes in purchased gas or changes in the cost of gas produced by the utility. When the utility has followed the practice of adjusting nonrecoverable gas to the weighted average cost of gas purchased or supplied from its own production, cost shall be the weighted average cost of such gas at the effective date of this account.

ITEMS

Drilling:

1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.

9. Hauling well equipment.

10. Shooting, fracturing, acidizing.

Equipment:

11. Bailing equipment.

12. Boilers and drives permanently connected.

13. Casing.

14. Derrick.

15. Fence, when solely an enclosure for equipment.

16. Fittings, including shut-in valves, bradenheads and casing heads.

17. Packing.

18. Tank, oil or water, etc.

19. Tubing.

353. Lines

This account shall include the cost installed of gas pipe lines used wholly or predominantly for conveying gas from point of connection with transmission or field lines to underground storage wells and from underground storage wells to the point where the gas enters the transmission or distribution system.

ITEMS

1. Cathodic protection equipment.

2. Creek crossings, suspension bridges and other special construction.

3. Lines, including pipe, valves, fittings, and supports.

4. Line drips and separators.

354. Compressor Station Equipment

This account shall include the cost installed of compressor station equipment used wholly or predominantly for the purpose of raising the pressure of gas for delivery to underground storage or to raise the pressure of gas withdrawn from underground storage for delivery to the transmission or distribution system.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.

2. Compressed air equipment.

3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.

4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.

5. Fire fighting equipment.

6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.

7. Laboratory and testing equipment.

8. Lubricating oil system, including centrifuge, filter tanks, purifier, and lubricating oil piping, etc.

9. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment etc., but not including water system equipment solely for domestic and general use.

355. Measuring and Regulating Equipment.

This account shall include the cost installed of equipment used wholly or predominantly for the purpose of measuring and regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc. and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type. (See note to gas plant instruction 313.8, subd. (c).)

357. Other Equipment

This account shall include the cost installed of equipment used wholly or predominantly in connection with underground storage of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Odorizing unit.
5. Oil fogger.

B. Other Storage Plant

360. Land and Land Rights

A. This account shall include the cost of land and land rights used in connection with the storage of gas in holders. (See Gas Plant Instruction 313.7.)

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

361. Structures and Improvements

A. This account shall include the cost in place of structures and improvements used in connection with the storage of gas in holders. (See Gas Plant Instruction 313.8.)

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

362. Gas Holders

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

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

Note: Relief holders used in connection with manufactured gas operations shall be included in account 305, Structures and Improvements.

ITEMS

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

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

363.1 Liquefaction Equipment

This account shall include the cost installed of equipment used in the liquefaction of natural gas.

ITEMS

1. Cold box.
2. Heat exchanger.
3. Condensers.
4. Pumps.
5. Tanks.

363.2 Vaporizing Equipment

This account shall include the cost installed of vaporizing equipment used in connection with liquefied natural gas storage.

363.3 Compressor Equipment

A. This account shall include the cost installed of compressor equipment and associated appliances used in connection with other storage plant.

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

363.4 Measuring and Regulating Equipment

A. This account shall include the cost installed of equipment used to measure deliveries of gas to other storage and withdrawals of gas from other storage.

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

ITEMS

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

363.5 Other Equipment

A. This account shall include the cost installed of other equipment used in connection with the storage of gas in holders.

B. The records supporting this account shall be kept to show separately plant used for local storage and plant used for liquefied storage.

ITEMS

1. Complete inlet and outlet connections.
2. Foundations.
3. Gauges and instruments.
4. Regulating apparatus.

4. TRANSMISSION PLANT

365.1 Land and Land Rights

This account shall include the cost of land and land rights, except rights-of-way, used in connection with transmission operations. (See gas plant instruction 313.1.)

365.2 Rights-of-Way

This account shall include the cost of rights-of-way used in connection with transmission operations. (See gas plant instruction 313.7.)

366. Structures and Improvements

A. This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See gas plant instruction 313.8.)

B. This account shall be subdivided as follows:

366.1 Compressor Station Structures

366.2 Measuring and Regulating Station Structures

366.3 Other Structures

367. Mains

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

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing. (See gas plant instruction 313.10, subd. (i).)

ITEMS

1. Anti-freeze lubricating equipment.
2. Automatic valve operating mechanisms, including pressure tanks, etc.
3. By-pass assembly.
4. Caissons, tunnels, trestles, etc., for submarine mains.
5. Cathodic protection equipment.
6. Drip lines and pots.
7. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
8. Foundations.
9. Gas cleaners, scrubbers, etc., when not part of compressor station or measuring and regulating equipment.10. Leak clamps. (See gas plant instruction 313.10, subd. (c) (1).)
11. Linewalkers' bridges.
12. Manholes.
13. Municipal inspection.
14. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
15. Permits.
16. Pipe coating.
17. Pipe and fittings.
18. Pipe laying.
19. Pipe supports.
20. Protection of street openings.
21. River, highway, and railroad crossings, including revetments, pipe anchors, etc.
22. Valves.
23. Welding.

Note: When gas mains and associated devices are raised or lowered or other change in their location is made, the cost of the work shall be charged to the maintenance account appropriate for the class of property which is moved. Inci-

dental replacement of retirement units in connection with a change in location shall be accounted for as additions and retirements.

368. Compressor Station Equipment

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

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Structures of a minor nature or portable type. (See note to gas plant instruction 313.8, subd.(c).)
10. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

369. Measuring and Regulating Station Equipment

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating gas in connection with transmission system operations.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type. (See note to gas plant instruction 313.8, subd. (c).)
12. Telemetering equipment.

371. Other Equipment

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

5. DISTRIBUTION PLANT

374. Land and Land Rights

This account shall include the cost of land and land rights used in connection with distribution operations. (See gas plant instruction 313.7.)

375. Structures and Improvements

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See gas plant instruction 313.8.)

376. Mains

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

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing. (See gas plant instruction 313.10, subd. (i).)

ITEMS

1. Caissons, tunnels, trestles, etc. for submarine mains.
2. Clamps, leak when installed at time of construction; when clamps are installed subsequent to construction, the accounting shall be in accordance with gas plant instruction 313.10, subd. (c) (1).
3. Drip lines and pots.
4. Electrolysis tests, in connection with new construction.
5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
6. Hauling, unloading, and stringing pipe.
7. Lamping and watching new construction.
8. Municipal inspection.
9. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
10. Permits.
11. Pipe coating.
12. Pipe and fittings.
13. Pipe laying.
14. Pipe supports.
15. Protection of street openings.
16. Relocating city storm and sanitary sewers, catch basins, etc., or protecting same in connection with new construction.
17. Replacement of municipal drains and culverts in connection with new construction.
18. Roadway boxes.
19. Shifting excavated material due to traffic conditions in connection with new construction.
20. Sleeves and couplings.
21. Special crossovers, bridges and foundations for special construction
22. Surveying and staking lines.
23. Valves not associated with pumping or regulating equipment.
24. Welding.
25. Wood blocking.

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

377. Compressor Station Equipment

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

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboards, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Water supply and circulation system, including water well, tank water piping, cooling tower, spray fence and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

378. Measuring and Regulating Station Equipment

This account shall include the cost installed of meters, gauges and other equipment used in measuring and regulating gas in connection with distribution system operation other than the measurement of gas deliveries to customers. (See gas plant instruction 318.10, subd. (i).)

ITEMS

1. Automatic control equipment.
2. Foundations.
3. Gauges and instruments.
4. Governors or regulators.
5. Meters.
6. Odorizing equipment.
7. Oil fogging equipment.
8. Piping.
9. Pressure relief equipment.
10. Structures of a minor nature or portable type. (See note to gas plant instruction 313.8, subd. (c).)
11. Telemetering equipment
12. Vaults or pits, including valves contained therein.

380. Services

A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises. (See gas plant instruction 313.10, subd. (i).)

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim. No portion of a completed service shall be accounted for as a stub service after the use thereof has been discontinued. Utilities shall establish a routine whereby accuracy of accounting for services will be checked for the entire territory within each five-year period.

ITEMS

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

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

381. Meters

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

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

ITEMS

Meters, including badging and initial testing.

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

Note B: Minor items shall be included in this account only when in service or associated with a unit of property held in reserve; otherwise they shall be carried in account 150.154, Plant Materials and Operating Supplies.

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

records shall also show the number of meter installations which prior to the effective date of this uniform system of accounts was charged to operating expenses.

382. Meter Installations

A. This account shall include the cost of labor and materials used and expenses incurred in connection with the original installation of customer meters.

B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

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

Note A: The cost of removing and resetting meters shall be charged to account 878, Meter and House Regulator Expenses.

Note B: Charges made to customers for connection, disconnection, or reconnection of meters shall be credited to account 488, Miscellaneous Service Revenues.

Note C: The provisions of this account shall not be interpreted as permitting the inclusion within the installation costs reflected in this account or in the continuing property record any amounts of installation costs charged to operating expenses or to surplus in periods prior to the effective date of the system of accounts prescribed herein. (See gas plant instruction 313.1, subds. (a) and (b).)

Note D: See note C to account 381.

383. House Regulators

A. This account shall include the cost of house regulators and devices and appurtenances thereto, for use in regulating the gas delivered to its users, whether actually in service or held in reserve.

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

Note A: Minor items shall be included in this account only when in service or associated with a unit of property held in reserve; otherwise they shall be carried in account 150.154, Plant Materials and Operating Supplies.

Note B: The utility shall maintain a statistical record to show separately the number of each type and size of regulator or group of types and sizes as carried in the continuing property record. Underlying records shall be kept so that the utility can determine readily for each such classification the number of regulators in service; and the number carried herein but not in service, the latter to include units undergoing repairs. Such records shall also show the number of house regulator installations which prior to the effective date of this uniform system of accounts was charged to operating expenses.

384. House Regulator Installations

A. This account shall include the cost of labor and materials used and expenses incurred in connection with the original installation of house regulators.

B. If the utility's policy is to charge customers for the first installation of house regulators, such amounts shall be credited to account 495, Other Gas Revenues; and the costs of installation of house regulators incurred by the utility shall be charged to account 878, Meter and House Regulator Expenses. (See also note B following.)

C. When a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

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

Note A: The cost of removing and resetting house regulators shall be charged to account 878, Meter and House Regulator Expenses.

Note B: The provisions of this account shall not be interpreted as permitting inclusion within the installation costs reflected in this account or in the continuing property record any amounts of installation costs charged to operating expenses or to surplus in periods prior to the effective date of the system of accounts prescribed herein. (See gas plant instruction 313.1, subds. (a) and (b).)

Note C: See note B to account 383.

385. Industrial Measuring and Regulating Station Equipment

This account shall include the cost of special and expensive installations of measuring and regulating station equipment, located on the distribution system, serving customers such as industrials, hospitals, schools, and other large establishments.

ITEMS(See account 378 for items.)

386. Other Property on Customers' Premises

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

B. This account shall be subdivided so as to show separately 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 or 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 account 879, Customer Installations Expenses.

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

387. Other Equipment

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

6. GENERAL PLANT

389. 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 313.7.)

390. 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 313.8.)

391. 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. (See note to gas plant instruction 313.3, par. (3).)

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

ITEMS

1. Bookcases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting room equipment.
4. Electronic data processing equipment.
5. Filing, storage, and other cabinets.
6. Floor covering.
7. Library and library equipment.
8. Mechanical office equipment such as accounting machines, typewriters, etc.
9. Safes.
10. Showcases and equipment for display of merchandise.
11. Signs, display and advertising.
12. Tables.

392. Transportation Equipment

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

Note: Compressors, hoists, concrete mixers, etc., so mounted on a vehicle that they can be removed readily, thereby making the vehicle available for transportation of other material or equipment, shall be included in account 394, Tools, Shop, and Garage Equipment, and the vehicle shall be included in this account; minor incidental equipment, such as pumps for drying manholes or tool racks and boxes which interfere little with the use of the vehicle for other transportation, shall, together with the vehicle, be included in this account.

393. Stores Equipment

A. This account shall include the cost installed of equipment used for the receiving, shipping, handling, and storage of materials and supplies when not an integral part of the housing structure. (See note to gas plant instruction 313.3, par. (3).)

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

ITEMS

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

394. Tools, Shop, and Garage Equipment

A. This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts. (See note to gas plant instruction 313.3, par. (3).)

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

C. The records shall be maintained in such manner as to show the items of garage equipment in a separate subdivision of this account.

ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.

9. Derricks.
10. Drill presses.
11. Electric equipment.
12. Engines.
13. Forges.
14. Foundations and settings specially constructed for equipment in this account and not expected to outlast the equipment for which provided.
15. Furnaces.
16. Gas producers.
17. Gasoline pumps, oil pumps, and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

Note: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

395. Laboratory Equipment

A. This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts. (See note to gas plant instruction 313.3, par. (3).)

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

ITEMS

1. Balances and scales.
2. Barometers.
3. Calorimeters--bomb, flow, recording types, etc.

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

Note: Office equipment, desks, chairs, etc., shall not be included herein but in account 391, Office Furniture and Equipment.

396. Power Operated Equipment

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machines.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machines.
10. Pipe coating or wrapping machines.
11. Tractors--crawler type.
12. Trenchers.

13. Other power operated equipment.

Note: It is intended that this account include only such large units as are generally self-propelled or mounted on moveable equipment.

397. Communication Equipment

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

ITEMS

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

398. Miscellaneous Equipment

This account shall include the cost of equipment, apparatus, etc., used and useful in gas operations, which is not includible in any other account. (See note to gas plant instruction 313.3 par. (3).)

ITEMS

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

Note: Miscellaneous equipment of the nature indicated above wherever practicable shall be assigned to the utility plant accounts on a functional basis.

399. Other Tangible Property

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

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

INCOME ACCOUNTS¹. UTILITY OPERATING INCOME

400. Operating Revenues

Operating Expenses

401. Operation Expense

402. Maintenance Expense

402.1 Joint Expense

403. Depreciation Expense

- 404.1 Amortization and Depletion of Producing Natural Gas Land and Land Rights
- 404.2 Amortization of Underground Storage Land and Land Rights
- 404.3 Amortization of Other Limited-term Gas Plant
- 405. Amortization of Other Gas Plant
- 406. Amortization of Gas Plant Acquisition Adjustments
- 407.1 Amortization of Property Losses
- 407.2 Amortization of Conversion Expenses
- Total Operating Expenses
- Net Operating Revenues
- 408.1 Taxes Other Than Income Taxes, Utility Operating Income
- 409.1 Income Taxes, Utility Operating Income
- 410.1 Provision for Deferred Income Taxes, Utility Operating In-
come
- 411.1 Provision for Deferred Income Taxes--Credit, Utility Operating Income
- 411.4 Investment Tax Credit Adjustments, Utility Operations
- 411.6 Gains from Disposition of Utility Plant
- 411.7 Losses from Disposition of Utility Plant
- 411.8 Miscellaneous Adjustments of Income Taxes, Utility Operating Income
- 412. Revenues from Gas Plant Leased to Others
- 413. Expenses of Gas Plant Leased to Others
- Income from Gas Plant Leased to Others
- Total Gas Operating Income
- 414. Other Utility Operating Income
- Total Utility Operating Income

2. OTHER INCOME

- 415. Revenues from Merchandising, Jobbing and Contract Work
- 416. Costs and Expenses of Merchandising, Job-
bing and Contract Work
- 417. Revenue from Nonutility Operations
- 417.1 Expenses of Nonutility Operations
- 418. Nonoperating Rental Income
- 418.1 Equity in Earnings of Subsidiary Companies
- 419. Interest and Dividend Income
- 419.1 Allowance for Funds Used During Construction
- 421. Miscellaneous Nonoperating Income
- 421.1 Gain on Disposition of Property
- Total Other Income
- Total Income

3. OTHER INCOME DEDUCTIONS

421.2 Loss on Disposition of Property

425. Miscellaneous Amortization

426. Miscellaneous Income Deductions

Total Other Income Deductions

3A. TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS
408.2 Taxes Other Than Income Taxes,
Other Income and Deductions

409.2 Income Taxes, Other Income and Deductions

410.2 Provision for Deferred Income Taxes, Other Income and Deductions

411.2 Provision for Deferred Income Taxes--Credit, Other Income and Deductions

411.5 Investment Tax Credit Adjustments, Nonutility Operations

420. Investment Tax Credits

Other Income and Deductions

Total Taxes, Other Income and Deductions

Net Other Income and Deductions

4. INTEREST CHARGES

427. Interest on Long-term Debt

428. Amortization of Debt Discount and Expense

429. Amortization of Premium on Debt--Credit

430. Interest on Debt to Associated Companies

431. Other Interest Expense

Total Interest Charges

Income Before Income Taxes

5. EXTRAORDINARY ITEMS

434. Extraordinary Income

435. Extraordinary Deductions

409.3 Income Taxes, Extraordinary Items

Net Income

1. UTILITY OPERATING INCOME

400. Operating Revenues

There shall be shown under this caption the total amount included in the gas operating revenue accounts provided herein.

401. Operation Expense

There shall be shown under this caption the total amount included in the gas operation expense accounts provided herein.

402. Maintenance Expense

There shall be shown under this caption the total amount included in the gas maintenance expense accounts provided herein.

402.1 Joint Expense

There shall be shown under this caption the total amount included in the gas joint expense accounts provided herein.

403. Depreciation Expense

A. This account shall include the amount of depreciation expense for all classes of depreciable gas plant in service and on the portion of depreciable common utility plant in service applicable to gas operations, except such depreciation expense as is chargeable to account 915, Costs and Expenses of Merchandising, Jobbing and Contract Work, and to clearing accounts.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of salvage and cost of removal for property retired from each account, or subdivision thereof, for depreciable utility plant.

Note A: Depreciation expense applicable to property included in account 104, Gas Plant Leased to Others, shall be charged to account 413, Expenses of Gas Plant Leased to Others.

Note B: Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

404.1 Amortization and Depletion of Producing Natural Gas Land and Land Rights

A. This account shall include charges for amortization and depletion of producing natural gas land and land rights. (See account 111.1, Accumulated Provision for Amortization and Depletion of Producing Natural Gas Land and Land Rights.)

B. The charges to this account shall be made in such manner as to distribute the cost of producing natural gas land and land rights over the period of their benefit to the utility, based upon the exhaustion of the natural gas deposits recoverable from such land and land rights.

404.2 Amortization of Underground Storage Land and Land Rights

A. This account shall include charges for amortization of land and land rights of underground storage projects for natural gas. (See account 111.2, Accumulated Provision for Amortization of Underground Storage Land and Land Rights.)

B. The charges to this account shall be made in such manner as to distribute the cost of amortizable land and land rights over the period of their benefit to the utility, and with respect to any land or land rights which include native gas in the storage reservoir, such amounts shall be amortized or depleted on the basis of production of such native gas after the volume of stored gas has been withdrawn from the reservoir.

404.3 Amortization of Other Limited-term Gas Plant

This account shall include amortization charges applicable to amounts included in the gas plant accounts and the portion applicable to gas operations of amounts included in common plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 111.3, Accumulated Provision for Amortization of Other Gas Plant in Service.)

405. Amortization of Other Gas Plant

A. When authorized by the commission, this account shall include charges for amortization of intangible or other gas plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406. Amortization of Gas Plant Acquisition Adjustments

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the commission, for the purpose of providing for the extinguishment of the amounts in account 114, Gas Plant Acquisition Adjustments, and in the appropriate subdivision of account 118.1, Common Utility Plant. (See balance sheet account 114, Gas Plant Acquisition Adjustments, paragraph C.)

407.1 Amortization of Property Losses

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the commission has authorized the amount in the latter account to be amortized by charges to gas operating expenses.

407.2 Amortization of Conversion Expenses

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

Special Instructions Accounts 408.1 and 408.2

A. These accounts shall include the amounts of ad valorem, gross revenue or gross receipts taxes, State unemployment insurance, franchise taxes, Federal excise taxes, social security taxes, and all other taxes assessed by Federal, State, county, municipal, or other local governmental authorities, except Federal income taxes.

B. These accounts shall be charged in each accounting period with the amounts of taxes which are applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amounts of taxes, the amounts shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to these accounts shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in these accounts shall be assigned directly to the utility department the operation of which gave rise to the tax insofar as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis, after appropriate study to determine such basis.

Note A: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

Note B: Taxes specifically applicable to construction shall be included in the cost of construction.

Note C: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

Note D: Social security and other forms of so-called payroll taxes shall be distributed to utility departments and to nonutility functions on a basis related to payroll. Amounts applicable to construction shall be charged to the appropriate plant account.

Note E: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or 431, Other Interest Expense, as appropriate.

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

Note G: Taxes characterized as franchise taxes levied by taxing authorities against the utility for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity shall be included in this account.

Note H: Amounts payable annually or more frequently under the terms of franchises, shall be included in account 927, Franchise Requirements.

Note I: Taxes assumed by the utility on interest paid to holders of utility's bonds or other indebtedness in respect to income and other taxes levied against such income of security holders, shall be charged to account 431, Other Interest Expense.

408.1 Taxes Other Than Income Taxes, Utility Operating Income

This account shall include those taxes other than income taxes, which relate to utility operating income. This account shall be maintained so as to allow ready identification of the various classes of taxes relating to Utility Operating Income (by department), Utility Plant Leased to Others and Other Utility Operating Income. 408.2 Taxes Other Than Income Taxes, Other Income and Deductions

This account shall include those taxes other than income taxes, which relate to Other Income and Deductions.

409. Income Taxes Special. Instructions Accounts 409.1, 409.2 and 409.3

A. These accounts shall include the amounts of Federal income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amounts of taxes become known, the current tax accruals shall be adjusted by charges or credits to these accounts, unless such adjustments are properly includible in account 439, Adjustments to Retained Earnings, so that these accounts as nearly as can be ascertained shall include the actual taxes payable by the utility. (See general instruction 311.7(b).)

B. The accruals for income taxes shall be apportioned among utility departments and to Other Income and Deductions so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or Other Income and Deductions, the income from which gave rise to the tax. The income tax effect of amounts recorded in account 439, Adjustments to Retained Earnings, shall be recorded in the account. The tax effect relating to Interest Charges shall be allocated between utility and nonutility operations. The basis for this allocation shall be the ratio of net investment in utility plant (including amounts in account 106, Completed Construction not Classified--Gas and account 107, Construction Work in Progress--Gas) to net investment in nonutility plant.

Note A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

Note B: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

409.1 Income Taxes, Utility Operating Income

This account shall include the amount of those Federal income taxes which relate to utility operating income. This account shall be maintained so as to allow ready identification of tax effects (both positive and negative) relating to Utility Operating Income (by departments), Utility Plant Leased to Others and Other Utility Operating Income.

409.2 Income Taxes, Other Income and Deductions

This account shall include the amount of those Federal income taxes (both positive and negative) which relate to Other Income and Deductions.

409.3 Income Taxes, Extraordinary Items

This account shall include the amount of those Federal income taxes (both positive and negative) which relate to Extraordinary Items.

Special Instructions Accounts 410.1, 410.2, 411.1 and 411.2

A. Accounts 410.1 and 410.2 shall be debited, and Accumulated Deferred Income Taxes shall be credited, with amounts equal to any current deferrals of taxes on income or any allocations of deferred taxes originating in prior periods, as provided by the texts of accounts 190, 281, 282 and 283. There shall not be netted against entries required to be made to these accounts any credit amounts appropriately includible in account 411.1 or 411.2.

B. Accounts 411.1 and 411.2 shall be credited, and Accumulated Deferred Income Taxes shall be debited with amounts equal to any allocations of deferred taxes originating in prior periods or any current deferrals of taxes on income, as provided by the texts of accounts 190, 281, 282 and 283. There shall not be netted against entries required to be made to these accounts any debit amounts appropriately includible in account 410.1 or 410.2. 410.1 Provision for Deferred Income Taxes, Utility Operating Income

This account shall include the amounts of those deferrals of taxes and allocations of deferred taxes, which relate to Utility Operating Income (by department).

410.2 Provisions for Deferred Income Taxes, Other Income and Deductions

This account shall include the amounts of those deferrals of taxes and allocations of deferred taxes, which relate to Other Income and Deductions.

411.1 Provision for Deferred Income Taxes--Credit, Utility Operating Income

This account shall include the amounts of those allocations of deferred taxes and deferrals of taxes, credit, which relate to Utility Operating Income (by department).

411.2 Provision for Deferred Income Taxes--Credit, Other Income and Deductions

This account shall include the amounts of those allocations of deferred taxes and deferrals of taxes, credit, which relate to Other Income and Deductions.

Special Instructions Accounts 411.4 and 411.5

A. These accounts shall be debited and account 255, Accumulated Deferred Investment Tax Credits shall be credited with the total amount of investment tax credits allowed on property defined in *section 50 of the Internal Revenue Code of 1954* which the utility used in the calculation of reported current year's income taxes charged to accounts 409.1, Income Taxes, Utility Operating Income, and 409.2, Income Taxes, Other Income and Deductions, as appropriate, when the utility elects to defer such credits.

B. Account 411.4 shall be debited and account 420, Investment Tax Credits shall be credited with one-half (or such other portion as determined by the commission in the utility's most recent rate case) of the total amount of investment tax credits allowed on property defined in *section 50 of the Internal Revenue Code of 1954* which the utility used in the calculation of reported current year's income taxes charged to account 409.1, Income Taxes, Utility Operating Income, when the utility's accounting does not provide for the deferral of such tax credits, and all benefits of the tax credits are to be recognized in the current income statement as realized.

C. When a utility has deferred investment tax credits and when such credits are to be applied as a reduction of the cost of service, account 411.4 shall be credited and account 255 shall be debited with a proportionate amount of such credits determined in relation to the book service life of the property to which they relate. If, however, the deferred tax credits are applied as a reduction of the rate base, account 420, Investment Tax Credits, shall be used in a similar manner. Deferred investment tax credits related to nonutility property shall be amortized by crediting account 411.5 and debiting account 255 with a proportionate amount as determined above.

411.4 Investment Tax Credit Adjustments, Utility Operations

This account shall include the amount of those investment tax credit adjustments related to property used in Utility Operations (by department).

411.5 Investment Tax Credit Adjustments, Nonutility Operations

This account shall include the amount of those investment tax credit adjustments related to property used in Non-utility Operations.

411.6 Gains from Disposition of Utility Plant

This account shall include, as approved by the commission, amounts relating to gains from the disposition of future use utility plant including amounts which were previously recorded in and transferred from account 105, Gas Plant Held for Future Use, under the provisions of paragraphs B, C, and D thereof. Income taxes relating to gains recorded in this account shall be recorded in account 409.1, Income Taxes, Utility Operating Income.

411.7 Losses from Disposition of Utility Plant

This account shall include, as approved by the commission, amounts relating to losses from the disposition of future use utility plant including amounts which were previously recorded in and transferred from account 105, Gas Plant Held for Future Use, under the provisions of paragraphs B, C, and D thereof. Income taxes relating to losses recorded in this account shall be recorded in account 409.1, Income Taxes, Utility Operating Income.

411.8 Miscellaneous Adjustments of Income Taxes--Utility Operating Income

This account shall include adjustments of prior years Federal income tax related to utility operations. (See § 311.7.) This account shall also be used for other tax adjustments which the commission may authorize or direct to be recorded herein.

412. Revenues from Gas Plant Leased to Others

413. Expenses of Gas Plant Leased to Others

A. These accounts shall include respectively, revenues from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Gas Plant Leased to Others, and the expenses attributed to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation.

Maintenance.

Depreciation.

Amortization.

Note: Related taxes shall be recorded in account 408.1, Taxes Other Than Income Taxes, Utility Operating Income, or account 409.1, Income Taxes, Utility Operating Income, as appropriate.

414. Other Utility Operating Income

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118.2, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents and insurance.

Note A: Related taxes shall be recorded in account 408.1, Taxes Other Than Income Taxes, Utility Operating Income, or account 409.1, Income Taxes, Utility Operating Income, as appropriate.

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

2. OTHER INCOME

415. Revenues from Merchandising, Jobbing and Contract Work 416. Costs and Expenses of Merchandising, Jobbing and Contract Work

A. These accounts shall include respectively all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expense incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

Labor:

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing wiring, pipe, or other property work on a jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.

6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining display counters and other equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses:

Advertising in newspapers, periodicals, radio, television, etc.

Cost of merchandise sold and of materials used in jobbing work.

Stores expenses on merchandise and jobbing stocks. Fees and expenses of advertising and commercial artists' agencies.

Printing booklets, dodgers, and other advertising data.

Premiums given as inducement to buy appliances.

Light, heat, and power.

Depreciation on equipment used primarily for merchandise and jobbing operations.

Rent of sales rooms or of equipment.

Transportation expense in delivery and pickup of appliances by utility's facilities or by others.

Stationery and office supplies and expenses.

Losses from uncollectible merchandise and jobbing accounts.

Note: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

417. Revenues from Nonutility Operations

417.1 Expenses of Nonutility Operations

A. These accounts shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department or the operation of a servicing organization for furnishing supervision, management, engineering, and similar service to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.

Maintenance.

Rents.

Depreciation.

Amortization.

Note: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

418. Nonoperating Rental Income

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by accounts 417 or 417.1.

B. The expenses shall include all elements of costs incurred in the ownership and rental of property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.

Maintenance.

Rents.

Depreciation.

Amortization.

Note: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

418.1 Equity in Earnings of Subsidiary Companies

This account shall include the utility's equity in the earnings or losses of subsidiary companies for the year.

419. Interest and Dividend Income

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interestbearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Retained Earnings.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, excluding operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon shall be charged hereto.

Note A: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

Note B: Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

419.1 Allowance for Funds Used During Construction

This account shall include concurrent credits for allowance for funds used during construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. (See gas plant instruction 313.3(a) (17).)

420. Investment Tax Credits

A. This account shall be credited with investment tax credit amounts determined in accordance with the following:

1. By amounts equal to the authorized debits to account 411.4, Investment Tax Credit Adjustments, Utility Operations, for investment tax credits used in calculating income taxes for the current year when the utility's accounting does not provide for the deferral of such credits.

2. By amounts equal to the debits to account 255, Accumulated Deferred Investment Tax Credits, for the amortization of the deferred tax credits over the book service life of the property to which the tax credits relate when such credits are to be applied as a reduction of the rate base.

421. Miscellaneous Nonoperating Income

This account shall include all revenue and expense items except taxes, properly includible in the income account and not provided for elsewhere. Related taxes shall be recorded in account 408.2, Taxes Other Than Income Taxes, Other Income and Deductions, or account 409.2, Income Taxes, Other Income and Deductions, as appropriate.

ITEMS

1. Gain on disposition of investments and reacquisition and resale or retirement of utility's debt securities and investments.
2. Profit on sale of timber. (See gas plant instruction 313.7, subdivision (c).)
3. Profits from operations of others realized by the utility under contracts.

421.1 Gain on Disposition of Property

This account shall be credited with the gain on the sale, conveyance, exchange or transfer of utility or other property to another. Amounts relating to gains on land and land rights held for future use recorded in account 105, Gas Plant Held for Future Use, will be accounted for as prescribed in paragraphs B, C, and D thereof. (See gas plant instructions 313.5(f), 313.7(e), and 313.10(e).) Income taxes on gains recorded in this account shall be recorded in account 409.2, Income Taxes, Other Income and Deductions.

3. OTHER INCOME DEDUCTIONS

421.2 Loss on Disposition of Property

This account shall be charged with the loss on the sale, conveyance, exchange, or transfer of utility or other property to another. Amounts relating to losses on land and land rights held for future use recorded in account 105, Gas Plant Held for Future Use, will be accounted for as prescribed in paragraph B, C, and D thereof. (See gas plant instructions 313.5(f), 313.7(e), and 313.10(e).) The reduction in income taxes attributable to losses recorded in this account shall be recorded in account 409.2, Income Taxes, Other Income and Deductions.

425. Miscellaneous Amortization

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the commission. (See account 114, Gas Plant Acquisition Adjustments.)
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the commission.
3. Amortization of capital stock expenses when in accordance with a systematic amortization program.

426. Miscellaneous Income Deductions

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges. The account shall be maintained according to subaccounts shown below:

426.1 Donations

This account shall include all payments or donations for charitable, social or community welfare purposes.

426.2 Life Insurance

This account shall include all payments for life insurance of officers and employees where company is beneficiary (net premiums less increase in cash surrender value of policies). (See account 926.2, Employee Welfare Expenses--note A.)

426.3 Penalties

This account shall include payments by the company for penalties or fines for violation of any regulatory statutes by the company or its officials.

426.4 Expenditures for Certain Civic, Political and Related Activities

This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification or revocation of franchises; or for the purpose of influencing the decisions of public officials or advancing the political objective of the utility, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations.

426.5 Other Deductions

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

ITEMS

1. Loss relating to investments in securities written off or written down.
2. Loss on sale of investments.
3. Loss on reacquisition, resale or retirement of utility's debt securities.
4. Preliminary survey and investigation expenses related to abandoned projects, when not written off to the appropriate operating expense account.

4. INTEREST CHARGES

427. Interest on Long-term Debt

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-term Debt.

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

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

428. Amortization of Debt Discount and Expense

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to accounts 181, Unamortized Debt Expense, and 226, Unamortized Discount on Long-term Debt--Debit.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429. Amortization of Premium on Debt--Credit

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 225, Unamortized Premium on Long-term Debt.

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

430. Interest on Debt to Associated Companies

A. This account shall include interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

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

431. Other Interest Expense

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

ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.

2. Interest on customers' deposits.

3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.

4. Income and other taxes levied upon bondholders of utility and assumed by it.

5. EXTRAORDINARY ITEMS

434. Extraordinary Income.

This account shall be credited with nontypical, non-customary, infrequently recurring gains, which would significantly distort the current year's income computed before extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 409.3, Income Taxes, Extraordinary Items. (See general instruction 311.7(a).)

435. Extraordinary Deductions

This account shall be debited with nontypical, non-customary, infrequently recurring losses, which would significantly distort the current year's income computed before extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in account 409.3, Income Taxes, Extraordinary Items. (See general instruction 311.7(a).)

RETAINED EARNINGS ACCOUNT

433. Balance Transferred from Income

436. Appropriations of Retained Earnings

437. Dividends Declared--Preferred Stock

438. Dividends Declared--Common Stock

439. Adjustments to Retained Earnings

This group of accounts (433 and 436 to 439), in combination, is designed to show the net changes in account 216, Unappropriated Retained Earnings, during the accounting period. (See unappropriated retained earnings instruction 314.1).

433. Balance Transferred from Income

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

436. Appropriations of Retained Earnings

This account shall include appropriations of retained earnings.

ITEMS

1. Appropriations required under terms of mortgages, orders of courts, contracts, or other agreements.
2. Appropriations required by action of regulatory authorities.
3. Other appropriations made at option of utility for specific purposes.

437. Dividends Declared--Preferred Stock

438. Dividends Declared--Common Stock

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

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

439. Adjustments to Retained Earnings

A. This account shall include significant nonrecurring transactions relating to prior periods. Other than transactions of capital stock as specified in paragraph B below, all entries to this account must receive prior commission approval. These transactions are limited to those adjustments which (1) can be specifically identified with and related to the business activities of particular prior periods, and (2) are not attributable to economic events occurring subsequent to the date of the financial statements for the prior period, and (3) depend primarily on determinations by persons other than the management, and (4) were not susceptible of reasonable estimation prior to such determination. This account shall also include the related income tax effects on items included herein. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

B. Adjustments, charges or credits due to losses on reacquisition, resale or retirements of the company's own capital stock shall be included in this account. (See account 210, Gain on Resale or Cancellation of Reacquired Capital Stock, for the treatment of gains.)

ITEMS

1. Significant nonrecurring adjustments or settlements of income taxes.
2. Significant amounts resulting from litigation or similar claims.
3. Significant amounts relating to adjustments or settlements of utility revenue under rate processes.
4. Significant adjustments to plant in service, depreciation and amortization as a result of commission direction.
5. Write-off of unamortized capital stock expense.

1. SALES OF GAS

480. Residential Sales

481. Commercial and Industrial Sales

482. Other Sales to Public Authorities

483. Sales for Resale

484. Interdepartmental Sales

2. OTHER OPERATING REVENUES

487. Forfeited Discounts

488. Miscellaneous Service Revenues

489. Revenues from Transportation of Gas of Others

490. Sales of Products Extracted from Natural Gas

491. Revenues from Natural Gas Processed by Others

492. Incidental Gasoline and Oil Sales

493. Rent from Gas Property

494. Interdepartmental Rents

495. Other Gas Revenues

1. SALES OF GAS

480. Residential Sales

A. This account shall include the net billing for gas supplied for residential or domestic purposes and to religious bodies.

B. Records shall be maintained so that the quantity of gas sold and the revenue received under each rate schedule shall be readily available.

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

481. Commercial and Industrial Sales

A. This account shall include the net billing for gas supplied to commercial and industrial customers.

B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available. Records supporting the entries to this account shall be so maintained that the quantity of gas sold and the charges made therefor for each customer for each month or other appropriate billing period are readily available.

Note: When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

482. Other Sales to Public Authorities

A. This account shall include the net billing for gas supplied to municipalities or divisions or agencies of federal or state governments, under special contracts or agreements or service classifications, applicable only to public authorities, for general governmental and institutional purposes, except any revenues under rate schedules the revenues from which are includible in account 481 or 483, and except any revenues from gas used for purposes such as power plant fuel for publicly owned electric systems, manufacturing processes of arsenals, etc., and other major uses of gas which appropriately may be classified in account 481, Commercial and Industrial Sales.

B. Records shall be maintained so that the quantity of gas sold and the revenue received from each customer and from each major special contract shall be readily available.

483. Sales for Resale

A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.

B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and b.t.u. adjustment factor.

Note: Revenues from gas supplied to other public utilities for use by them and not for distribution, shall be included in account 481, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

484. Interdepartmental Sales

A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

2. OTHER OPERATING REVENUES

487. Forfeited Discounts

This account shall include the 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 by the customers because of failure to pay within the specified time.

488. Miscellaneous Service Revenues

This account shall include revenues from all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

1. Fees for changing, connecting, or disconnecting service.

2. Profit on maintenance of appliances, piping, gas firing and other utilization facilities, or other installation on customers' premises.

3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than one year. (See account 185, Temporary Facilities.)

4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)

5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489. Revenues from Transportation of Gas of Others

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

490. Sales of Products Extracted from Natural Gas

A. This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.

B. Records shall be maintained so that the quantity, sales price, and revenues for each type of product sold to each purchaser shall be readily available.

491. Revenues from Natural Gas Processed by Others

A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.

B. The records supporting this account shall be so maintained that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable:

(1) the mcf of gas and appropriate average b.t.u. content thereof per cubic foot delivered to such other party for processing,

(2) the mcf of gas and approximate average b.t.u. content thereof per cubic foot of gas received back from the processor,

(3) the field, general production area, or other source of the gas processed,

(4) mcf of gas used for processing fuel, etc., which is chargeable to the utility,

(5) total gallons of each product recovered by the processor and the utility's share thereof,

(6) the revenues accruing to the utility, and

(7) the basis of determination of the revenues accruing to the utility.

Such records shall be maintained even though no revenues are derived from the processor.

492. Incidental Gasoline and Oil Sales

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the investment in which is carried in account 330, Producing Gas Wells.

493. Rent from Gas Property

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account. (See operating expense instruction 317.5.)

Note: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenues from Gas Plant Leased to Others, and income account instruction 315.3.)

494. Interdepartmental Rents

This account shall include rents credited to the gas department on account of rental charges made against other departments (electric, water, etc.) of the utility. In the case of property operated under a definite arrangement to allocate the costs among the departments using the property, any reimbursement to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495. Other Gas Revenues

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

ITEMS

1. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
2. Profit or loss on sale of materials and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
3. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.
4. Service charges for storing gas of others.
5. Miscellaneous royalties received.
6. Revenues from dehydration and other processing of gas of others, except products extraction where products are received as compensation and sales of such are includible in account 490, Sales of Products Extracted from Natural Gas, and except compression of gas of others, revenues from which are includible in account 489, Revenues from Transportation of Gas of Others.
7. Include in a separate subaccount revenues in payment for rights and/or benefits received from others which are realized through research and development ventures.

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

1. PRODUCTION EXPENSES

A. MANUFACTURED GAS PRODUCTION EXPENSES

A 1. Steam Production

Operation

700. Operation Supervision and Engineering

701. Operation Labor

702. Boiler Fuel

703. Miscellaneous Steam Expenses

704. Steam Transferred--Credit

Maintenance

705. Maintenance Supervision and Engineering

706. Maintenance of Structures

707. Maintenance of Boiler Plant Equipment

708. Maintenance of Other Steam Production Plant

A 2. Manufactured Gas Production

Operation

710. Operation Supervision and Engineering Production Labor and Expenses

711. Steam Expenses

712. Other Power Expenses

715. Water Gas Generating Expenses

716. Oil Gas Generating Expenses

717. Liquefied Petroleum Gas Expenses

718. Other Process Production Expenses

Gas Fuels

721. Water Gas Generator Fuel

722. Fuel for Oil Gas

723. Fuel for Liquefied Petroleum Gas Process

724. Other Gas Fuels

Gas Raw Materials

726. Oil for Water Gas

727. Oil for Oil Gas

728. Liquefied Petroleum Gas

729. Raw Materials for Other Gas Processes

Other Operation Expenses

730. Residuals Expenses

731. Residuals Produced--Credit

732. Purification Expenses

733. Gas Mixing Expenses

734. Duplicate Charges--Credit

735. Miscellaneous Production Expenses

736. Rents

Maintenance

740. Maintenance Supervision and Engineering

741. Maintenance of Structures

742. Maintenance of Production Equipment

Joint Expenses

743.1 Joint Expenses--Debit

743.2 Joint Expenses--Credit

B. NATURAL GAS PRODUCTION EXPENSES

Natural Gas Production and Gathering Operation

750. Operation Supervision and Engineering

751. Production Maps and Records

752. Gas Wells Expenses

753. Field Lines Expenses

754. Field Compressor Station Expenses

755. Field Compressor Station Fuel and Power

756. Field Measuring and Regulating Station Expenses

757. Purification Expenses

758. Gas Well Royalties

759. Other Expenses

760. Rents

Maintenance

761. Maintenance Supervision and Engineering

762. Maintenance of Structures

763. Maintenance of Producing Gas Wells

764. Maintenance of Field Lines

765. Maintenance of Field Compressor Station Equipment

766. Maintenance of Field Measuring and Regulating Station Equipment

767. Maintenance of Purification Equipment

768. Maintenance of Drilling and Cleaning Equipment

769. Maintenance of Other Equipment

Joint Expenses

769.1 Joint Expenses--Debit

769.2 Joint Expenses--Credit

C. OTHER GAS SUPPLY EXPENSES

Operation

800. Natural Gas Well Head Purchases

801. Natural Gas Field Line Purchases

802. Natural Gas Gasoline Plant Outlet Purchases

803. Natural Gas Transmission Line Purchases

804. Natural Gas City Gate Purchases

805. Other Gas Purchases

806. Exchange Gas

- 807. Purchased Gas Expenses
- 808. Gas Withdrawn from Storage--Debit
- 809. Gas Delivered to Storage--Credit
- 810. Gas Used for Compressor Station Fuel--Credit
- 812. Gas Used for Other Utility Operations--Credit
- 813. Other Gas Supply Expenses

Joint Expenses

- 813.1 Joint Expenses--Debit
- 813.2 Joint Expenses--Credit

2. NATURAL GAS STORAGEA. UNDERGROUND STORAGE EXPENSES

Operation

- 814. Operation Supervision and Engineering
- 815. Maps and Records
- 816. Wells Expenses
- 817. Lines Expenses
- 818. Compressor Station Expenses
- 819. Compressor Station Fuel and Power
- 820. Measuring and Regulating Station Expenses
- 822. Exploration and Development
- 823. Gas Losses
- 824. Other Expenses
- 825. Storage Well Royalties
- 826. Rents

Maintenance

- 830. Maintenance Supervision and Engineering
- 831. Maintenance of Structures
- 832. Maintenance of Reservoirs and Wells
- 833. Maintenance of Lines
- 834. Maintenance of Compressor Station Equipment
- 835. Maintenance of Measuring and Regulating Station Equipment
- 837. Maintenance of Other Equipment

Joint Expenses

- 838.1 Joint Expenses--Debit
- 838.2 Joint Expenses--Credit

B. OTHER STORAGE EXPENSES

Operation

- 840. Operation Supervision and Engineering
- 841. Operation Labor and Expenses

842. Rents

842.1 Fuel

842.2 Power

842.3 Gas Losses

Maintenance

843. Maintenance Supervision and Engineering

844. Maintenance of Structures

845. Maintenance of Gas Holders

846. Maintenance of Purification Equipment

847. Maintenance of Liquefaction Equipment

848. Maintenance of Vaporizing Equipment

848.1 Maintenance of Compressor Equipment

848.2 Maintenance of Measuring and Regulating Equipment

848.3 Maintenance of Other Equipment

Joint Expenses

849.1 Joint Expenses--Debit

849.2 Joint Expenses--Credit

3. TRANSMISSION EXPENSES

Operation

850. Operation Supervision and Engineering

851. System Control and Load Dispatching

853. Compressor Station Labor and Expenses

854. Gas for Compressor Station Fuel

855. Other Fuel and Power for Compressor Stations

856. Mains Expenses

857. Measuring and Regulating Station Expenses

858. Transmission and Compression of Gas by Others

859. Other Expenses

860. Rents

Maintenance

861. Maintenance Supervision and Engineering

862. Maintenance of Structures

863. Maintenance of Mains

864. Maintenance of Compressor Station Equipment

865. Maintenance of Measuring and Regulating Station Equipment

867. Maintenance of Other Equipment

Joint Expenses

868.1 Joint Expenses--Debit

868.2 Joint Expenses--Credit

4. DISTRIBUTION EXPENSES

Operation

- 870. Operation Supervision and Engineering
- 871. Distribution Load Dispatching
- 872. Compressor Station Labor and Expenses
- 873. Compressor Station Fuel and Power
- 874. Mains and Services Expenses
- 875. Measuring and Regulating Station Expenses
- 876. Measuring and Regulating Station Expenses--Industrial
- 878. Meter and House Regulator Expenses
- 879. Customer Installations Expenses
- 880. Other Expenses

881. Rents

Maintenance

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

Joint Expenses

- 895.1 Joint Expenses--Debit
- 895.2 Joint Expenses--Credit

5. CUSTOMER ACCOUNTS EXPENSES

Operation

- 901. Supervision
- 902. Meter Reading Expenses
- 903. Customer Records and Collection Expenses
- 904. Uncollectible Accounts
- 905. Miscellaneous Customer Accounts Expenses
- 906. Rents.

6. CUSTOMER SERVICE EXPENSES

Operation

- 909. Supervision
- 910. Customer Assistance Expenses
- 911. Informational Advertising Expenses
- 912. Miscellaneous Customer Service Expenses
- 913. Rents

7. SALES PROMOTION EXPENSES

Operation

- 915. Supervision
- 916. Demonstrating and Selling Expenses
- 917. Promotional Advertising Expenses
- 918. Miscellaneous Sales Promotion Expenses
- 919. Rents

8. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920. Administrative and General Salaries
- 921. Office Supplies and Expenses
- 922. Administrative Expenses Transferred--Credit
- 923. Outside Services Employed
- 924. Property Insurance
- 925. Injuries and Damages
- 926. Employee Pensions and Benefits
- 927. Franchise Requirements
- 928. Regulatory Commission Expenses
- 929. Duplicate Charges--Credit
- 930.1 Institutional or Goodwill Advertising Expenses
- 930.2 Miscellaneous General Expenses
- 931.1 General Rents
- 931.2 Expenses of Data Processing Equipment

Maintenance

- 932. Maintenance of General Plan

Joint Expenses

- 933.1 Joint Expenses--Debit
- 933.2 Joint Expenses--Credit

1. PRODUCTION EXPENSES

A. MANUFACTURED GAS PRODUCTION EXPENSES

1. Steam Production Operation

- 700. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of steam production. Direct supervision of specific activities shall be charged to the appropriate account. (See Part 317 Instruction--Operating Expense Instruction § 317.1.)

Note: The cost of fuel analyses shall be charged to account 150.152, Fuel Stock Expenses Undistributed.

701. Operation Labor

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

ITEMS

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

702. Boiler Fuel

A. This account shall include the cost of coal, oil, gas or other fuel used in the production of steam, including applicable amounts of stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

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

Note: The cost of fuel, except gas, and related fuel stock expenses, shall be charged initially to appropriate fuel accounts carried under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used, See accounts 150.151 and 150.152 for basis of fuel costs and includible items of fuel stock expenses.

703. Miscellaneous Steam Expenses

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

ITEMS

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

10. Waste.

11. Water purchased.

12. Research and development expenses.

704. Steam Transferred--Credit

A. This account shall include such portion of the cost of producing steam as is charged to other gas operating expense accounts, or to others or to a coordinate department under a joint facility arrangement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish readily an explanation of the bases of the credits to this account and the amounts charged to (1) other gas accounts, (2) other utility departments, and (3) outside parties under a joint facility arrangement. The records shall show, likewise, the amounts of steam production operation and steam production maintenance expenses, respectively, chargeable to each of the foregoing. (See operating expense instruction 317.5, subd. (b).)

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

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

MAINTENANCE

705. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of steam production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 317.1.)

706. Maintenance of Structures

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements used in steam production operations, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 317.2.)

707. Maintenance of Boiler Plant Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production, the book cost of which is includible in account 306, Boiler Plant Equipment. (See operating expense instruction 317.2.)

708. Maintenance of Other Steam Production Plant

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production operations, the book cost of which is includible in account 314, Coal, Coke, and Ash Handling Equipment, or account 320, Other Equipment. (See operating expense instruction 317.2.)

A 2. Manufactured Gas Production Operation

710. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of manufactured gas stations. Direct supervision of specific activities such as steam production and power operations, water gas generation, etc., shall be charged to the appropriate account. (See operating expense instruction 317.1.)

Note: The cost of fuel analyses shall be charged to account 150.152, Fuel Stock Expenses Undistributed. Production Labor and Expenses

711. Steam Expenses

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

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

712. Other Power Expenses

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

715. Water Gas Generating Expenses

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

ITEMS

Labor:

1. Supervising.
2. Work of the following character in connection with the operation of water gas sets (excepting the waste heat boiler and auxiliaries):
 - a. Inspecting, testing, clinkering, lighting and starting up.
 - b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.
 - c. Making required flow rate and operating cycle changes.
 - d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duct pockets, bootlegs, and collectors, and cleaning and reluting producer set doors.
 - e. Operating, cleaning and lubricating fuel charging lorries, blowers, valves, automatic operators, and grates, together with their instruments, gauges and controls, also the ash belts.
3. Operating, cleaning and lubricating auxiliary equipment, such as hydraulic pumps, circulating water pumps, oil pumps from storage to sets, steam accumulators and regulators and reducers on natural gas for reforming, exhausters, revivifying air blowers, and purifier exhausters.
4. Handling fuel from storage into bins with conveyors.
5. Removing and disposing of ashes, carbon, sediment, and other waste material.
6. Cleaning of generator and exhauster houses, including janitorial and similar services.

Materials and Expenses:

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

716. Oil Gas Generating Expenses

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

ITEMS Labor:

1. Supervising.

2. Cleaning, firing and operating oil gas machines.
3. Handling oil from place of storage to oil gas sets.
4. Measuring oil.
5. Removing and disposing of carbon deposits, and other cleaning and incidental labor.

Materials and Expenses:

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

717. Liquefied Petroleum Gas Expenses

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

ITEMS

Labor:

1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.
4. Inspecting and testing equipment and setting and adjusting controls and regulators.
5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.
6. Repressuring storage tanks.

Materials and Expenses:

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

718. Other Process Production Expenses

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

721. Water Gas Generator Fuel

A. This account shall include the cost of fuel used in making water gas, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or net proceeds from, the disposal of ashes.

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

Note: The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel account carried under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 150.151 and 150.152 for the basis of fuel costs and includible items of fuel stock expenses.

722. Fuel for Oil Gas

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

723. Fuel for Liquefied Petroleum Gas Process

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

724. Other Gas Fuels

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

726. Oil for Water Gas

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

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

Note: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate account carried under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 150.151 and 150.152 for basis of costs and includible items of fuel stock expenses.

727. Oil for Oil Gas

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

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

Note: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate raw materials account carried under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 150.151 and 150.152 for basis of costs and includible items of fuel stock expenses.

728. Liquefied Petroleum Gas

A. This account shall include the cost of liquefied petroleum gas, such as propane, butane, or gasoline, vaporized for mixing with other gases or for sale unmixed, including applicable amounts of fuel stock expenses.

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

Note: The cost of liquefied petroleum gas and related fuel stock expenses shall be charged initially to the appropriate account under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of liquefied petroleum gas used. See accounts 150.151 and 150.152 for basis of costs and includible items of fuel stock expenses.

729. Raw Materials for Other Gas Processes

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

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

Note: The cost of raw materials and fuel stock expenses shall be charged initially to the appropriate account carried under accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of raw materials used. See accounts 150.151 and 150.152 for basis of raw materials cost and includible items of raw materials stock expenses. Other Operation Expenses

730. Residuals Expenses

A. This account shall include the cost of labor, materials used and expenses incurred including uncollectible accounts in obtaining, handling, preparing, refining, and marketing residuals produced in manufactured gas production processes.

B. Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or by-product carried in account 731, Residuals Produced--Credit.

731. Residuals Produced--Credit

A. This account shall be credited and the appropriate subdivision of account 150.153, Residuals, debited monthly with the estimated value of residuals obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivisions of account 150.153, Residuals, with the difference.

732. Purification Expenses

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

ITEMS

Labor:

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

Materials and Expenses:

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

733. Gas Mixing Expenses

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

ITEMS

Labor:

1. Supervising.
2. Mixing enrichment gas and other gases or air, including mixing of liquid petroleum gas with air in a liquid petroleum air gas plant, and operation of air jetting equipment and controls.
3. Operating, cleaning and lubricating of cleaners, reducers, calorimeters, calorimixers, appliances and mixing apparatus with their related recorders, gauges, valves and controls, and gravimeters.
4. Inspecting, testing and adjusting mixing equipment.
5. Reading instruments and gauges, changing charts, and recording instrument and gauge readings.

Materials and Expenses:

6. Packing, waste, lubricants, etc.

7. Small hand tools.

8. Building service, communication service, transportation.

734. Duplicate Charges--Credit

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

Note: For manufactured gas used from the common system supply, concurrent credits shall be made to account 812, Gas Used for Other Utility Operations--Credit.

735. Miscellaneous Production Expenses

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

ITEMS

Labor:

1. Supervising.
2. Cleaning gas works yard of coke dust and other waste materials.
3. Humidifying gas or oil fogging gas at the production plant.
4. Cutting grass and care of the grounds around the gas works.
5. Clearing gas works yard of snow.
6. Janitor service and messenger service.
7. Operating elevators and other conveyances for general use at the gas works.
8. General clerical and stenographic work at gas works.
9. Guarding and patrolling plant and yard.
10. Testing plant instruments not elsewhere provided for.
11. Laboratory labor, except that chargeable to other accounts.
12. Reading manufactured gas meters, and calculating and recording hourly volumes produced.
13. Pumping drips (water) at plant (not provided for elsewhere).
14. Odorizing manufactured gas.
15. Operating, cleaning, and lubricating of air compressors with their tanks, instruments, meters, gauges, and controls when used to supply compressed air into the plant's air system.
16. Operating effluent water treatment systems, including chemical treatment ozonation, filter, and related equipment, including treatment of carbon and residual sludge, and removing spent oxide, and spent filtering materials.
17. Pumping water for cooling and condensing.
18. Cleaning filters and other operating duties of water system.

Materials and Expenses:

19. Building service, communication service, transportation.
20. First aid supplies and safety equipment.
21. Office supplies, printing and stationery.
22. Meals, traveling and incidental expenses.
23. Fuel for heating plant, water for fire protection or general use, and similar items.
24. Lubricants, packing, waste, etc.
25. Odorizing chemicals.

- 26. Hand tools, drills, saw blades, files, etc.
- 27. Fire protection supplies.
- 28. Fogging oils, alcohol, etc.
- 29. Chemicals, filter materials, etc. and payments to others for disposal of plant effluents and waste.
- 30. Chemicals for water treatment.
- 31. Research and development expenses.

736. Rents

This account shall include rents for property of others used, occupied or operated in connection with manufactured gas production operations. (See operating expense instruction 317.3.)

740. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of manufactured gas production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 317.1.)

741. Maintenance of Structures

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 317.2.)

742. Maintenance of Production Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment for the production of manufactured gas, the book cost of which is included in accounts 306 to 320, inclusive, except such equipment as is used for the production of steam, the maintenance of which is includible in accounts 707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 317.2.)

743.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the gas department to others, or to a coordinate department, for joint facilities used, occupied or operated in connection with the production of manufactured gas. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

743.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of manufactured gas as is charged to others or to a coordinate department. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

B. Natural Gas Production Expenses
Natural Gas Production and Gathering Operation

750. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of production and gathering systems. Direct supervision of specific activities such as turning on and shutting off wells, operating measuring and regulating stations, etc., shall be charged to the appropriate account. (See operating expense instruction 317.1.)

ITEMS

1. Supervision. (See operating expense instruction 317.1.)
 2. Gas depletion and gas reserve activities.
 3. Geological activities in connection with gas production.
 4. Rights-of-way office activities and supervision, not in connection with construction or retirement work, or storage.
751. Production Maps and Records

This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of production maps and records.

ITEMS

Labor:

With respect to production maps:

1. Supervising.
2. Preparing farm maps, field inventory maps, well location plats, and other maps used in connection with natural gas production and gathering operations.
3. Posting changes and making corrections of maps.
4. Maintaining files of maps and tracings.
5. Surveying deeds, leases, rights-of-way, well locations, etc. , for map revisions.
6. Reproducing maps (blueprints, photostats, etc.)

With respect to land records:

7. Supervising.
8. Abstracting titles to date for extension and renewal of leases.
9. Adjusting land and well rentals.
10. Checking free gas rights.
11. Maintaining land and lease records.
12. Delivering rental and royalty checks.
13. Assigning, pooling, merging, renewing, and extending leases.
14. Patrolling land.
15. Preparing expiration calendars.
16. Replacing leases (not involving additional consideration).
17. Transferring payees.

Materials and Expenses:

18. Blueprints, photostats, etc.
19. Drafting materials and supplies.
20. Surveying materials and supplies.
21. Employee transportation and travel expenses.
22. Freight, express, parcel post, trucking, and other transportation.

23. Janitor and washroom supplies, etc.
24. Office supplies, stationery and printed forms.
25. Utility services: light, water, and telephone.

752. Gas Wells Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating producing gas wells.

ITEMS Labor:

1. Supervising.
2. Testing, bailing, swabbing, blowing and gauging producing gas wells.
3. Cleaning off old well locations.
4. Painting signs, etc.
5. Minor upkeep of well roads and fences, etc.
6. Turning wells off and on.
7. Pumping wells.

Materials and Expenses:

8. Gas, gasoline, and oil used in pumping, bailing, heating and swabbing.
9. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
10. Materials for upkeep of well roads, etc.
11. Well swabs.
12. Employees' transportation and travel expenses.
13. Freight, express, parcel post, trucking and other transportation.
14. Transportation: company and rented vehicles.

753. Field Lines Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating field lines.

ITEMS

Labor:

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

12. Cleaning structures and equipment.

13. Driving trucks.

Materials and Expenses:

14. Line markers and warning signs.

15. Lumber, nails, etc. , used in building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.

16. Charts.

17. Scrubber oil.

18. Hand tools.

19. Lubricants, wiping rags, waste, etc.

20. Freight, express, parcel post, trucking and other transportation charges.

21. Employees' transportation and travel expenses.

22. Janitor and washroom supplies.

23. Utility services: light, water, telephone.

24. Gas used in field line operations.

754. Field Compressor Station Expenses

This account shall include the cost of labor, materials used, except fuel, and expenses incurred in operating field compressor stations.

ITEMS

Labor:

1. Supervising.

2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures, cutting grass and weeds, and minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

Materials and Expenses:

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

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

755. Field Compressor Station Fuel and Power

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of field compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

Note: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 150.151 and 150.152, for the basis of fuel costs and includible fuel stock expenses.

756. Field Measuring and Regulating Station Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating field measuring and regulating stations.

ITEMS

Labor:

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

Materials and Expenses:

15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.

17. Employees' transportation and travel expenses.
18. Freight, express, parcel post, trucking and other transportation.
19. Utility services: light, water, telephone.
757. Purification Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating equipment used for purifying, dehydrating and conditioning of natural gas.

ITEMS

Labor:

1. Supervising.
2. Changing charts on fuel meters.
3. Emptying, cleaning and refilling purifier boxes.
4. Oiling dip sheets of purifier covers.
5. Removing spent oxide to refuse piles.
- 6 Revivifying oxide.7. Taking readings of inlet and outlet pressures and temperature.
8. Unloading and storing glycol.
9. Watching station and equipment.
10. Cutting grass and weeds, and minor grading around equipment and stations.
11. Hauling operating employees, materials, supplies and tools, etc.
12. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
13. Lubricating equipment, valves, etc.
14. Operating and checking equipment, valves, instruments, etc.

Materials and Expenses:

15. Liquid purifying supplies.
16. Iron oxide.
17. Odorizing matches.
18. Charts, printed forms, etc.
19. Employees' transportation and travel expenses.
20. Freight, express, parcel post, trucking, and other transportation.
21. Gas used in operations.
22. Janitor, washroom, and landscaping supplies.
23. Lubricants, wiping rags, waste, etc.
24. Utility services: light, water, telephone.

Note: Inclusion of dehydration expenses in this account shall be consistent with the functional classification of dehydration plant as to which, see the note to account 336, Purification Equipment, relating to cases where dehydrators may be located some distance from the production sources of gas.

758. Gas Well Royalties

A. This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

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

759. Other Expenses

This account shall include the cost of labor, materials used and expenses incurred in producing and gathering natural gas and not includible in any of the foregoing accounts.

ITEMS

Labor:

1. Moving cleaning tools between locations.
2. Operating communications system.
3. Reading limited and unlimited free gas meters.

Materials and Expenses:

4. Miscellaneous small tools, etc.
5. Research and development expenses.

760. Rents

This account shall include rents for property of others used, occupied or operated in connection with the production and gathering of natural gas, other than rentals on land and land rights held for the supply of natural gas. (See operating expense instruction 317.3.)

Note: See account 795, Delay Rentals, for rentals paid on lands held for the purpose of obtaining a supply of gas in the future.

761. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the production and gathering facilities as a whole. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See Part 317 Instruction--Operating Expense Instruction § 317.1.)

762. Maintenance of Structures

This account shall include the cost of labor, materials used, and expenses incurred in the maintenance of structures and improvements, the book cost of which is includible in accounts 326, Gas Well Structures, 327, Field Compressor Station Structures, 328, Field Measuring and Regulating Station Structures, and 329, Other Structures. (See Part 317 Instruction--Operating Expense Instruction § 317.2.)

763. Maintenance of Producing Gas Wells

This account shall include the cost of labor, materials used, and expenses incurred in maintenance of gas wells and equipment includible in accounts 330, Producing Gas Wells--Well Construction, and 331, Producing Gas Wells--Well Equipment. (See Part 317 Instruction--Operating Expense Instruction § 317.2.)

764. Maintenance of Field Lines

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field lines the book cost of which is includible in account 332, Field Lines. (See Part 317 Instruction-Operating Expense Instruction § 317.2.)

ITEMS

1. Electrolysis and leak inspections (not routine).
2. Installing and removing temporary lines, when necessitated by maintenance.
3. Lamping and watching while making repairs.
4. Lowering and changing location of portion of lines, when the same pipe is used.

5. Protecting lines from fires, floods, land slides, etc.

6. Rocking creek crossings.

765. Maintenance of Field Compressor Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field compressor station equipment includible in account 333, Field Compressor Station Equipment. (See Part 317 Instruction--Operating Expense Instruction. § 317.2.)

766. Maintenance of Field Measuring and Regulating Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field measuring and regulating station equipment includible in account 334, Field Measuring and Regulating Station Equipment. (See Part 317 Instruction--Operating Expense Instruction § 317.2.)

767. Maintenance of Purification Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment includible in account 336, Purification Equipment. (See Part 317 Instruction-Operating Expense Instruction § 317.2.)

Note: Inclusion of dehydration maintenance expenses in this account shall be consistent with the functional classification of dehydration plant as to which see the note to account 336, Purification Equipment, relating to cases where dehydrators may be located some distance from the production sources of gas.

768. Maintenance of Drilling and Cleaning Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of drilling cleaning equipment includible in account 335, Drilling and Cleaning Equipment, except such costs of maintaining drilling tools or other equipment which are assignable to the cost of drilling wells. (See Part 317 Instruction--Operating Expense Instruction § 317.2.)

769. Maintenance of Other Equipment

This account shall include the cost of labor, materials used and expenses incurred in maintenance of other production and gathering equipment includible in account 337, Other Equipment. (See Part 317 Instruction--Operating Expense Instruction § 317.2.)

769.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the production of natural gas. (See Part 317 Instruction-Operating Expense Instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

769.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of natural gas as is charged to others or to a coordinate department. (See Part 317 Instruction--Operating Expense Instruction § 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

C. OTHER GAS SUPPLY EXPENSES
Operation

800. Natural Gas Well Head Purchases

A. This account shall include the cost at well head of natural gas purchased from producers in gas fields or production areas where only the utility's facilities are used in bringing the gas from the well head into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and well head the quantity of gas, basis of charges, and amount paid for the gas.

Note: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such purchases according to predominant source or according to a reasonable estimate.

801. Natural Gas Field Line Purchases

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased in gas fields or production areas at points along gathering lines, and at points along the utility's transmission lines within field or production areas, exclusive of purchases at outlets of gasoline plants includible in account 802, where facilities of the vendor or others are used in bringing the gas from the well head to the point of entry into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and amount paid for the gas.

Note: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such purchases according to predominant source or according to a reasonable estimate.

802. Natural Gas Gasoline Plant Outlet Purchases

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at the outlet side of vendor's natural gas products extraction plants.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and for each products extraction plant, the quantity of gas, basis of the charges, and the amount paid for the gas.

803. Natural Gas Transmission Line Purchases

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at points along the utility's transmission lines not within gas fields or production areas, excluding purchases at the outlets of products extraction plants includible in account 802.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

804. Natural Gas City Gate Purchases

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of the charges, and the amount paid for the gas.

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

805. Other Gas Purchases

A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than any mixed gas in which the natural gas is an important proportion of the mixture.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, b. t. u. content, basis of the charges, and the amount paid for the gas.

806. Exchange Gas

A. This account shall include debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party in exchange for delivery of gas to such other party and receipt and delivery of such gas is not completed during the accounting period. Contra entries to those in this account shall be made to account 174, Miscellaneous Current and Accrued Assets, for exchange gas receivable, and to account 242, Miscellaneous Current and Accrued Liabilities, for exchange gas deliverable. Such entries shall be reversed and appropriate contra entries made to this account when gas is received or delivered in satisfaction of the amounts receivable or deliverable. This accounting is not required for minor transactions.

B. If revenue is earned or amounts are payable in consideration of the performance of exchange services, such revenue or expense should be recorded in account 495, Other Gas Revenues, or account 813, Other Gas Supply Expenses, as appropriate. See, however, accounts 489, Revenues from Transportation of Gas of Others, and 858, Transmission and Compression of Gas by Others, for transactions which, in fact, are for transportation of gas rather than exchange of gas.

C. Records shall be maintained so that there is readily available for each gas exchange the volume of gas received and delivered whether or not entries of dollar amounts to this account are required.

807. Purchased Gas Expenses

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

B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that the utility shall include the cost of turning on and off purchase gas wells and operating measuring stations devoted exclusively to measuring purchased gas.

C. In general, it is intended that this account include only the expenses directly related to purchased gas, including the expenses of computing volumes of gas purchased, and special items directly related to gas purchases which are not includible in other accounts.

D. This account shall be subdivided as follows:

807.1 Wells Expenses--Purchased Gas

807.2 Operation of Purchased Gas Measuring Stations

807.3 Maintenance of Purchased Gas Measuring Stations

807.4 Purchased Gas Calculations Expenses

807.5 Other Purchased Gas Expenses

808. Gas Withdrawn from Storage--Debit

A. This account shall include debits for the cost of gas withdrawn from storage during the year. Contra credits for entries to this account shall be made to accounts 117, Gas Stored Underground--Noncurrent, or 164.1, Liquefied Natural Gas in Storage, as appropriate.

B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 809.)

Note: Adjustments for gas inventory losses incurred in underground storage operations due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 823, Gas Losses. If, however, any adjustment is substantial, the utility may request commission approval to amortize the amount of the adjustments to account 823 over future operating periods.

809. Gas Delivered to Storage--Credit

A. This account shall include credits for the cost of gas delivered to storage during the year. Contra debits for entries to this account shall be made to accounts 117, Gas Stored Underground--Noncurrent, or 164.1, Liquefied Natural Gas in Storage, as appropriate.

B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See account 808.)

810. Gas Used for Compressor Station Fuel--Credit

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

812. Gas Used for Other Utility Operation--Credit

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

813. Other Gas Supply Expenses

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

JOINT EXPENSES

813.1 Joint Expenses--Debit

A. This account shall include amounts payable by the gas department to others or to a coordinate department, for joint facilities used, occupied or operated in connection with the production of gas when it is impracticable to allocate such payments to the joint expenses-debit accounts under manufactured gas production or natural gas production. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

813.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the production of gas as is charged to others or to a coordinate department when it is impracticable to allocate such cost to the joint expenses-credit accounts under manufactured gas production or natural gas production. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

2. NATURAL GAS STORAGE

A. UNDERGROUND STORAGE EXPENSES

Operation

814. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of underground storage operations. Direct supervision of specific activities such as turning on and shutting off storage wells, compressor station operations, etc. , shall be charged to the appropriate account. (See operating expense instruction 317.1.)

815. Maps and Records

This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of storage maps and land records.

ITEMS

Labor:

With respect to land records:

1. Supervising.
2. Abstracting titles to date for extension and renewal of leases.
3. Adjusting land and well rentals.
4. Renewing and extending leases or replacing leases not involving additional consideration.
5. Transferring, assigning, pooling, and merging leases.
6. Delivering rental checks.
7. Clerical work in maintaining storage land and lease records.
8. Preparing and maintaining lease expiration calendars.

With respect to maps:

9. Supervising.
10. Preparing maps, well location plats, etc.
11. Reproducing maps, (blueprints or photostats).
12. Posting and revising maps.
13. Surveying deeds, leases, rights-of-way, well locations, etc. , for map revisions.
14. Maintaining files of maps and tracings.
15. Field checking boundaries, markers, etc. , in connection with preparation of maps.

Materials and Expenses (general):

16. Reproduction of land and lease records and maps (blueprints, photostats, etc.).
17. Drafting materials and supplies.
18. Surveying materials and supplies.
19. Employees' transportation and travel expenses.

816. Wells Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating storage gas wells.

ITEMS

Labor:

1. Supervising.
2. Testing, bailing, swabbing, blowing, and gauging storage wells.
3. Painting signs, etc.
4. Minor upkeep of well roads, fences, etc.
5. Turning storage wells on and off.
6. Moving cleaning out tools between locations.
7. Driving trucks.

Materials and Expenses:

8. Gas, gasoline, and oil used in pumping, bailing, heating, and swabbing.
 9. Lumber, nails, and other materials used for repairing old well roads and fences.
 10. Well swabs.
 11. Employees' transportation and travel expenses.
 12. Freight, express, parcel post, trucking, and other transportation.
- #### 817. Lines Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage lines.

ITEMS

Labor:

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

Materials and Expenses:

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking and other transportation.
21. Employees' transportation and travel expenses.
22. Janitor and wash room supplies.
23. Utility services: light, water, telephone.
24. Gas used in operations.
818. Compressor Station Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage compressor stations.

ITEMS

Labor:

1. Supervising.
2. Operating and checking engines, equipment, valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

Materials and Expenses:

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

17. Charts and printed forms, etc.

18. Gauge glasses.

19. Chemicals to test water.

20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

22. Employees' transportation and travel expenses.

23. Freight, express, parcel post, trucking, and other transportation.

24. Utility services: light, water, telephone.

819. Compressor Station Fuel and Power

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of underground storage compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

Note: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 150.151, and 150.152 for the basis of fuel costs and includible fuel stock expenses.

820. Measuring and Regulating Station Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage measuring and regulating stations.

ITEMS

Labor:

1. Supervising. 2. Recording pressures and changing charts, reading meters, etc.

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

Materials and Expenses: 15. Charts and printed forms, stationery and office supplies, etc.

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

822. Exploration and Development

This account shall include expenses of investigation, exploration, and development of underground storage projects under consideration which prove not feasible. There also shall be included in this account the net cost of drilling non-operative wells within an existing storage project. (See account 183.2, Other Preliminary Survey and Investigation Charges.)

Note: Include in account 352, Wells, the cost of wells which may be drilled within a storage project for purposes of pressure observation rather than for injection or withdrawal of gas.

823. Gas Losses

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. (See paragraph G of account 117, Gas Stored Underground-Noncurrent.) If, however, any adjustment is substantial, the utility may, with approval of the commission amortize the amount of the adjustment to this account over future operating periods.

824. Other Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage plant, and other underground storage operating expenses, not includible in any of the foregoing accounts, including research and development expenses.

825. Storage Well Royalties

A. This account shall include royalties, rents, and other payments includible in operating expenses for gas wells and gas land acreage located within and comprising underground storage projects of the utility. (See operating expense instruction 317.3.)

B. The records supporting this account shall be so maintained that information will be readily available for each storage project, of the parties to each contract, basis of the charges, and location of wells to which the royalties or rents of each contract relate.

826. Rents

This account shall include rents for property of others used in connection with the storage of gas underground, other than rents and royalties paid with respect to storage wells and gas lands utilized for the holding of gas in underground storage. (See operating expense instruction 317.3.)

830. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of underground storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 317.1.)

831. Maintenance of Structures

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 351, Structures and Improvements. (See operating expense instruction 317.2.)

832. Maintenance of Reservoirs and Wells

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of storage wells, the book cost of which is included in account 352, Wells, and the maintenance of reservoirs, the book cost of which is included in account 352.2, Reservoirs. (See operating expense instructions 317.2.)

833. Maintenance of Lines

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of underground storage lines, the book cost of which is includible in account 353, Lines. (See operating expense instruction 317.2.)

834. Maintenance of Compressor Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 354, Compressor Station Equipment. (See operating expense instruction 317.2.)

835. Maintenance of Measuring and Regulating Station Equipment

This account shall include the cost of labor,* materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 355, Measuring and Regulating Equipment. (See operating expense instruction 317.2.)

* So in Original. ", " should be "and".

837. Maintenance of Other Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 357, Other Equipment. (See operating expense instruction 317.2.)

838.1 Joint Expenses--Debit

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the underground storage of gas. (See operating expense instruction 317.5.)

B. The records supporting entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

838.2 Joint Expense--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the underground storage of gas as is charged to others or to coordinate departments. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

(1) Charges to others

(2) Charges to coordinate departments B. OTHER STORAGE EXPENSES

Operation

840. Operation Supervision and Engineering

A. This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other storage facilities. Direct supervision of specific activities such as operation of gas holders shall be charged to the appropriate account. (See operating expenses instruction 317.1.)

B. Records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

841. Operation Labor and Expenses

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

B. Records supporting entries in this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

ITEMS

Labor:

1. Supervising.

2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other local storage equipment.

3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.

4. Pumping inlet and outlet holder drips.

5. Inspecting and testing equipment when not specifically for repairs or replacement of parts.

6. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.

7. Cleaning and repairing hand tools used for operations, etc.

8. Operating steam lines for heating storage facilities.

Materials and Expenses:

9. Charts for pressure gauges and meters, printed forms, etc.

10. Lubricants, wiping rags, waste, etc.

11. Janitor and washroom supplies, landscaping supplies, etc.

12. Employee travel and transportation expenses.

13. Freight, express, parcel post, trucking, and other transportation.

14. Utility services; light, water, telephone.

15. Chemicals.

16. Refrigerants.

17. Research and development expenses.

842. Rents

A. This account shall include rents for property of others used or operated in connection with other storage operations. (See operating expense instruction 317.3.)

B. Records supporting entries to this account shall be kept to show separately rents associated with local storage and liquefied storage operations.

842.1 Fuel

A. This account shall include the cost of natural gas or other fuel used in the operation of other storage plant.

B. Concurrent credits offsetting charges to this account for natural gas used for fuel shall be made to account 812, Gas Used for Other Utility Operations--Credit.

C. Records supporting entries to this account shall be kept to show separately the cost of natural gas or other fuel used in local storage and liquefied storage operations.

842.2 Power

A. This account shall include the cost of electricity consumed for operation of facilities used in the operation of other storage plant.

B. Records supporting entries to this account shall be kept to show separately the cost of electricity used in local storage and liquefied storage operations.

842.3 Gas Losses

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in other storage operations due to shrinkage or other causes.

Maintenance

843. Maintenance Supervision and Engineering

A. This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of other storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 317.1.)

B. Records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

844. Maintenance of Structures

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements. (See operating expense instruction 317.2.)

B. Records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

845. Maintenance of Gas Holders

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of gas holders, the book cost of which is includible in account 362, Gas Holders. (See operating expense instruction 317.2.)

B. Records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

846. Maintenance of Purification Equipment

This account shall include the cost of labor, materials used and expenses incurred in maintenance of purification equipment, the book cost of which is includible in account 363, Purification Equipment. (See operating expense instruction 317.2.)

847. Maintenance of Liquefaction Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of liquefaction equipment, the book cost of which is includible in account 363.1, Liquefaction Equipment. (See operating expense instruction 317.2.)

848. Maintenance of Vaporizing Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of vaporizing equipment, the book cost of which is includible in account 363.2, Vaporizing Equipment. (See operating expense instruction 317.2.)

848.1 Maintenance of Compressor Equipment

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of compressor equipment, the book cost of which is includible in account 363.3, Compressor Equipment. (See operating expense instruction 317.2.)

B. The records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

848.2 Maintenance of Measuring and Regulating Equipment

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of measuring and regulating equipment, the book cost of which is includible in account 363.4, Measuring and Regulating Equipment. (See operating expense instruction 317.2.)

B. The records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

848.3 Maintenance of Other Equipment

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 363.5, Other Equipment. (See operating expense instruction 317.2.)

B. The records supporting entries to this account shall be kept to show separately expenses associated with local storage and liquefied storage operations.

JOINT EXPENSES

849.1 Joint Expenses--Debit

A. This account shall include amounts payable by the gas department to others or to a coordinate department for joint facilities used, occupied, or operated in connection with the local or liquefied storage of natural gas. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account for local storage or liquefied storage, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

849.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with the local or liquefied storage of natural gas as is charged to others or coordinate departments. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account for local or liquefied storage, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

3. TRANSMISSION EXPENSES
OPERATION

850. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. Direct supervision of specific activities such as operation of transmission lines, compressor stations, etc., shall be charged to the appropriate account. (See operating expense instruction 317.1.)

851. System Control and Load Dispatching

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

ITEMS

Labor:

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

Materials and Expenses:

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

853. Compressor Station Labor and Expenses

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

ITEMS

Labor:

1. Supervising.

2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment not specifically to determine necessity for repairs.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures housing equipment, cutting grass and weeds and minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

Materials and Expenses:

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

17. Charts and printed forms, etc.

18. Gauge glasses.

19. Chemicals to treat water.

20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

22. Employees' transportation and travel expenses.

23. Freight, express, parcel post, trucking, and other transportation.

24. Utility services: light, water, telephone.

854. Gas for Compressor Station Fuel

A. This account shall include the cost of gas used for the operation of transmission compressor stations.

B. Records shall be maintained to show the mcf of gas consumed at each compressor station, the average b.t.u. content, and the cost of such gas.

855. Other Fuel and Power for Compressor Stations

A. This account shall include the cost of coal, oil, and other fuel, or electricity, used for the operation of transmission compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

Note: The cost of fuel, includible in this account, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 150.151 and 150.152 for the basis of fuel costs and includible fuel stock expenses.

856. Mains Expenses

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

ITEMS

Labor:

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

Materials and Expenses:

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking and other transportation.
21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.
23. Utility services: light, water, telephone.
24. Gas used in mains operations.

857. Measuring and Regulating Station Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating transmission measuring and regulating stations.

ITEMS

Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except gas purchases and sales.

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

Materials and Expenses:

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

858. Transmission and Compression of Gas by Others

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, mcf of gas delivered to the other party for transmission or compression and the mcf of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

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

859. Other Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating transmission system equipment and other transmission system expenses not includible in any of the foregoing accounts including research and development expenses.

860. Rents

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, payments to governmental bodies and others for use of public or private lands and reservations for rights-of-way; and also amounts payable for depreciation, taxes, interest or return, under joint facility agreements. (See operating expense instructions 317.3 and 317.5.)

MAINTENANCE

861. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of transmission system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 317.1.)

862. Maintenance of Structures

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 366, Structures and improvements. (See operating expense instruction 317.2.)

863. Maintenance of Mains

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 317.2.)

ITEMS

1. Supervising.
2. Electrolysis and leak inspection.
3. Installing and removing temporary lines, when necessitated by maintenance.
4. Lamping and watching while making repairs.
5. Lowering and changing location of lines, when the same pipe is used.
6. Protecting lines from fires, floods, landslides, etc.
7. Rocking creek crossings.

864. Maintenance of Compressor Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 317.2.)

865. Maintenance of Measuring and Regulating Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 369, Measuring and Regulating Station Equipment. (See operating expense instruction 317.2.)

867. Maintenance of Other Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 371, Other Equipment. (See operating expense instruction 317.2.)

JOINT EXPENSES

868.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the gas department to others or to a coordinate department, for joint facilities used, occupied or operated in connection with the transmission of gas. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

868.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities, operated in connection with the transmission of gas as is charged to others, or to a coordinate department. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

4. DISTRIBUTION EXPENSES OPERATION

870. Operation Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching, mains operation, removing and resetting meters, etc., shall be charged to the appropriate account. (See operating expense instruction 317.1.)

871. Distribution Load Dispatching

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

ITEMS

Labor:

1. Supervising.
2. Analyzing pressures for irregularities.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper b.t.u. content.
5. Correspondence and records, typing and maintaining files.
6. Controlling gas-make and inputs to distribution system.
7. Maintaining pressures at key points to divide the available gas during heavy demand periods.
8. Maintaining pressure log sheets.
9. Maintaining lowest necessary line pressures consistent with satisfactory service.
10. Rerouting gas during emergencies and planned shut downs.

Materials and Expenses:

11. Consultants' fees and expenses.
12. Meals, travelling, and incidental expenses.
13. Office supplies, stationery and printed forms.
14. Transportation: company and rented vehicles.
15. Utility services: light, water, telephone.

872. Compressor Station Labor and Expenses

This account shall include the cost of labor, materials used and expenses incurred in operating distribution compressor stations.

ITEMS

Labor:

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.

3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.

4. Repacking valves and replacing gauge glasses, etc.

5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.

6. Inspecting and testing equipment and instruments when not specifically to determine necessity for repairs or replacement of parts.

7. Pumping drips at the station.

8. Taking dew point readings.

9. Testing water.

10. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading around station.

11. Cleaning and repairing hand tools used in operations.

12. Driving trucks.

13. Watching during shut downs.

14. Clerical work at station.

Materials and Expenses:

15. Scrubber oil.

16. Lubricants, wiping rags, and waste.

17. Charts and printed forms, etc.

18. Gauge glasses.

19. Chemicals to test water.

20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.

22. Employees' transportation and travel expenses.

23. Freight, express, parcel post, trucking, and other transportation.

24. Utility services: light, water, telephone.

873. Compressor Station Fuel and Power

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of distribution compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

Note: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 150.151, Fuel Stock, and 150.152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 150.151 and 150.152 for the basis of fuel costs and includible fuel stock expenses.

874. Mains and Services Expenses

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

ITEMS

Labor:

1. Supervising.

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

Materials and Expenses:

16. Line markers and warning signs.
17. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
18. Charts.
19. Scrubber oils.
20. Hand tools.
21. Lubricants, wiping rags, waste, etc.
22. Freight, express, parcel post, trucking and other transportation.
23. Uniforms.
24. Employee transportation and travel expenses.
25. Janitor and washroom supplies.
26. Utility services: light, water, telephone.
27. Gas used in mains operations.
28. Oil for fogging.

875. Measuring and Regulating Station Expenses

This account shall include the cost of labor, materials used and expenses incurred in the operation of measuring and regulating station equipment located on local distribution systems exclusive of equipment used to serve specific customers. (See account 876.)

ITEMS

Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except purchases and sales.

4. Calculating gas volumes from meter charts, except gas purchases and sales.
 5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc.
 6. Taking and testing gas samples, inspecting and testing valves, regulators, gas sample tanks and other meter engineers' equipment, determining specific gravity and b.t.u. content of gas.
 7. Inspecting and testing equipment and instruments not specifically to determine necessity for repairs, including pulsation tests.
 8. Cleaning and lubricating equipment.
 9. Keeping log and other operating records.
 10. Attending boilers and operating other accessory equipment.
 11. Installing and removing district gauges for pressure survey.
 12. Thawing freeze in gauge pipe.
 13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc.
 14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.
- Materials and Expenses:
15. Charts and printed forms, stationery and office supplies, etc.
 16. Lubricants, wiping rags, waste.
 17. Uniforms.
 18. Employee transportation and travel expenses.
 19. Freight, express, parcel post, trucking and other transportation.
 20. Utility services: light, water, telephone.
876. Measuring and Regulating Station Expenses--Industrial

This account shall include the cost of labor, materials used and expenses incurred in the operation of measuring and regulating stations located on local distribution systems to serve specific industrial and commercial customers, such as industrials, hospitals, schools, and other large establishments. (See account 875.)

ITEMS(See account 875 for items.)

878. Meter and House Regulator Expenses

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

ITEMS

Labor:

(a) Removing, reinstalling, and changing or exchanging customer meters and house regulators:

1. Initiating or terminating service, including incidental meter reading.
2. Periodic replacement of meters and house regulators because of age.
3. Changing or exchanging meters and house regulators because of complaints or removal for inspection.
4. Resetting meters on existing connections.
5. Handling meters and house regulators to and from customer premises and meter shop.
6. Listing, tagging, and placing meter labels, etc., for removed and reset meters.
7. Changing position of meters or house regulators on the same premises.
8. Installing or removing blank linings.

9. Unproductive calls, etc.

(b) Turning on and turning off meters, except for failures of customers to pay bills:

10. Turning on meters, including necessary time to insure that gas lines are proper to use and that appliances are in usable condition.

11. Turning off meters including time to make safety precautions.

(c) Other:

12. Supervising.

13. Clerical work on meter history and associated equipment record cards, test cards, and reports.

14. Handling and recording meters for stock.

15. Inspecting and testing meters and house regulators.

16. Inspecting and adjusting meter testing equipment.

17. Driving trucks used in meter operations.

Materials and Expenses:

18. Meter locks and seals.

19. Lubricants, wiping rags, waste, etc.

20. Uniforms.

21. Freight, express, parcel post, trucking, and other transportation.

22. Utility services: light, water, telephone, heating.

23. Office supplies, stationery and printing.

24. Employees' transportation expenses.

25. Janitor, washroom, first aid supplies, etc.

879. Customer Installations Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 878, Meter and House Regulator Expenses, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.

B. Damage to customer equipment by employees of the utility whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

ITEMS

Labor:

1. Supervising. 2. Altering customer-owned service extensions or meter connections.

3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping.

4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system.

5. Oiling or spraying noisy customer meters.

6. Investigating and stopping gas leaks on customers' premises caused by defective meter, customer-owned piping, or customer appliances.

7. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.

8. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.

9. Investigating and adjusting complaints of service on customers' premises.
10. Gas load surveys including the incidental preparations and replacement of meters.
11. Unproductive calls.
12. Stenographic and clerical work.
13. Janitorial services, etc.
14. Installing demand or test meters.
15. Inspecting, cleaning, repairing and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.
16. Replacing defective parts in customer-owned appliances and salvaging reusable appliance parts.

Materials and Expenses:

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

Note A: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

Note B: Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

880. Other Expenses

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

881. Rents

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, payments to governmental bodies and others for use of public or private lands, reservations for rights-of-way; and also amounts payable for depreciation, taxes, interest or return, under joint facility agreement. (See operating expense instructions 317.3 and 317.5.)

MAINTENANCE

885. Maintenance Supervision and Engineering

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of distribution system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 317.1.)

886. Maintenance of Structures

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 375, Structures and Improvements. (See operating expense instruction 317.2.)

887. Maintenance of Mains

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution mains, the book cost of which is includible in account 376, Mains. (See operating expense instruction 317.2.)

ITEMS

1. Supervising.
2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired.
4. Municipal inspections relating to maintenance work.
5. Other work of the following character:
 - a. Locating leaks incident to maintenance.
 - b. Cutting off mains without replacement. (Minor cuts not retired.)
 - c. Repairing leaking joints.
 - d. Repairing broken mains.
 - e. Repairing leaks on main drip riser or valve test pipe.
 - f. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
 - g. Cleaning, repainting, coating, and wrapping exposed mains.
 - h. Repacking main valves.
 - i. Locating and clearing gas main faults.
 - j. Lowering and changing location of mains.
 - k. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
 - l. Watching and lamping open cuts associated with maintenance.
 - m. Restoration of permanent pavement in connection with work chargeable to maintenance.
 - n. Emergency stand-by time associated with maintenance.
 - o. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
 - p. Making electrolysis tests to maintain life of plant.
 - q. Repairing property of others damaged by maintenance work.

888. Maintenance of Compressor Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 377, Compressor Station Equipment. (See operating expense instruction 317.2.)

889. Maintenance of Measuring and Regulating Station Equipment

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 378, Measuring and Regulating Station Equipment. (See operating expense instruction 317.2.)

890. Maintenance of Measuring and Regulating Station Equipment--Industrial

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 385, Industrial Measuring and Regulating Station Equipment. (See operating expense instruction 317.2.)

892. Maintenance of Services

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of services, the book cost of which is includible in account 380, Services. (See operating expense instruction 317.2.)

ITEMS

1. Supervising.
2. Testing pipe for leaks and condition of wrapping.
3. Testing for, locating, and clearing trouble on company maintained services.
4. Inspecting and testing after repairs have been made.
5. Reporting on condition of gas services to determine the need for repairs.
6. Making minor repairs and changes.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Stopping leaks on service pipes and drip risers.
10. Lowering and raising curb boxes to grade.
11. Replacing less than a complete service, when not retired.
12. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
13. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
14. Restoring condition of services damaged by fire, storm, leakage, flood, accident or other casualties.
15. Repairing property of others damaged by maintenance work.
16. Transferring services in connection with the installation of new mains.
17. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
18. Converting low pressure gas distribution service to medium or high pressure service.
19. Relocating and rerouting gas service temporarily during alterations of buildings.
20. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
21. Replacing service valve box or drip riser box.
22. Installing, removing or replacing service valve, drip pot, or drip riser.
23. Repacking service valve.

893. Maintenance of Meters and House Regulators

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 317.2.)

ITEMS

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.

5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or worn parts.6. Replacing or adding any item not constituting a retirement unit.

894. Maintenance of Other Equipment

A. This account shall include the cost of labor, materials used and expenses incurred in the maintenance of street lighting equipment and all other distribution system equipment not provided for elsewhere, the book cost of which is includible in accounts 386, Other Property on Customers' Premises, and 387, Other Equipment. (See operating expense instruction 317.2.)

B. This account shall be subdivided so as to show separately the cost of maintenance (when the cost is borne by the utility) of gas property leased to customers, the book cost of which is included in account 386, Other Property on Customers' Premises. Joint Expenses

895.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the gas department to others, or to a coordinate department, for joint facilities used, occupied, or operated in connection with distribution of gas. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others.
- (2) Charges from coordinate departments.

895.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the utility in connection with the distribution of gas as is charged to others or to another coordinate department. (See operating expense instruction 317.5)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others.
- (2) Charges to coordinate departments.

5. CUSTOMER ACCOUNTS EXPENSES

Operation

901. Supervision

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 317.1.)

902. Meter Reading Expenses

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

ITEMS

Labor:

1. Addressing forms for obtaining meter readings by mail.2. Changing and collecting meter charts used for billing purposes.

3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.

4. Meter reading--small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 878, Meter and House Regulator Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)

5. Measuring gas--large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.

6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.

7. Collecting from prepayment meters when incidental to meter reading.

8. Maintaining record of customers' keys.

9. Computing estimated or average consumption when performed by employees engaged in reading meters.
Materials and Expenses:

10. Badges, lamps, and uniforms.

11. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.12. Postage and supplies used in obtaining meter readings by mail.

13. Transportation, meals, and incidental expenses.

903. Customer Records and Collection Expenses

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

ITEMS

Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.

3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.

4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.

5. Preparing address plates and addressing bills and delinquent notices.

6. Preparing billing data.

7. Operating billing and bookkeeping machines.

8. Verifying billing records with contracts or rate schedules.

9. Preparing bills for delivery, and mailing or delivering bills.

10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.

11. Balancing collections, preparing collections for deposit, and preparing cash reports.

12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.

13. Balancing customer accounts and controls.

14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.

15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.

16. Disconnecting and reconnecting service because of nonpayment of bills.

17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and Expenses:

21. Address plates and supplies.

22. Cash overages and shortages.

23. Commissions or fees to others for collecting.

24. Payments to credit organizations for investigations and reports.

25. Postage.

26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure.

27. Transportation, meals, and incidental expenses.

28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.

29. Forms for recording orders for services, removals, etc.

30. Charges made direct or apportioned through clearing accounts for costs covering the use of electronic data processing equipment and other mechanical equipment, whether owned or rented from others, properly assignable to this account in connection with the customer records and collection functions.

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

904. Uncollectible Accounts

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts-Credit. Losses from uncollectible accounts shall be charged to account 144.

905. Miscellaneous Customer Accounts Expenses

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

ITEMS

Labor:

1. General clerical and stenographic work.

2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.

4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.

906. Rents

This account shall include rents of property of others used in connection with customers' accounting and collecting. (See account 903, and operating expense instructions 317.3 and 317.5.)

6. CUSTOMER SERVICE EXPENSES

Operation

909. Supervision

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer service activities, the object of which is to promote safe, efficient and economical use of the utility's service. Direct supervision of a specific activity, such as customer assistance and informational advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 317.1.)

910. Customer Assistance Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in providing instructions or assistance to present customers, the object of which is to promote safe, efficient and economical use of the utility's service.

B. Wherever allocations are used to arrive at the amount to be included in this account, and account 916, Demonstrating and Selling Expenses, the method and basis of allocation shall be reflected by underlying records.

ITEMS

Labor:

1. Direct supervision of department.
2. Processing customer inquiries relating to the proper use of present gas equipment, the replacement of such equipment and information related to such equipment.
3. Advice directed to customers as to how they may achieve the best heating and safety with respect to existing gas equipment.
4. Demonstrations, exhibits, lectures and other programs designed to instruct customers in the economical or efficient use of gas service.
5. Engineering and technical advice requested by customers without prior solicitation by the utility in connection with the present or future use of utility service.

Materials and Expenses:

6. Supplies and expenses pertaining to demonstrations, exhibits, lectures and other programs.
7. Loss in value on equipment and appliances used for demonstration purposes.
8. Office supplies and expenses.
9. Transportation, meals and incidental expenses.

Note A: Do not include in this account expenses that are already provided for in accounts 879, Customer Installations Expenses and 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

911. Informational Advertising Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in advertising activities which primarily convey concrete information as to what the utility urges or suggests customers should do in utilizing gas service to protect health and safety, to promote environmental protection, to utilize their gas equipment safely and economically, or to conserve gas. Include also in this account advertising activities relating to actions by the gas utility which bear directly on its provision of service to the customer.

B. Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available.

C. Where informational advertising is undertaken by an association on behalf of its members, or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary

which is a New York gas utility and included in this account, shall be determined in accordance with the text of this account as set forth herein.

ITEMS

Labor:

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

Materials and Expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc. for informational purposes.
8. Fees and expenses of advertising agencies and commercial artists related to informational advertising.
9. Postage on direct mail informational advertising.
10. Printing of informational booklets, dodgers, bulletins, etc.
11. Supplies and expenses in preparing informational advertising materials.
12. Office supplies and expenses.
13. Novelties for general distribution. Below are examples of the advertising includible in this account:
14. Instructions in the proper use of equipment, owned by the utility or the customer, which makes use of the utility's service.
15. Information as to new rates, billing practices, new inspection or meter reading schedules.
16. Notification of emergency conditions and procedures to be followed during the emergency.
17. Advice concerning hazards associated with the utility's gas service.
18. Appeals for conservation of gas with suggestions of measures the customer may take.

Note: Exclude from the account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all expenses of promotional, institutional or goodwill, and political advertising. (See account 917, Promotional Advertising Expenses, account 930.1, Institutional or Goodwill Advertising Expenses and account 426.4, Expenditures for Certain Civic, Political and Related Activities.)

912. Miscellaneous Customer Service Expenses

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

ITEMS

Labor:

1. General clerical and stenographic work not assigned to specific functions.
2. Miscellaneous labor.

Materials and Expenses:

3. Communication service.

4. Printing, postage and office supplies expenses applicable to customer service activities except those chargeable to account 911, Informational Advertising Expenses.

913. Rents

This account shall include rents properly includible in operating expenses for property of others used by customer service organizations for customer service activities. (See operating expenses instructions 317.3 and 317.5.)

7. SALES PROMOTION EXPENSES

Operation

915. Supervision

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales promotion activities, except merchandising, the object of which is to promote or retain the use of utility services by present or prospective customers. Direct supervision of a specific activity such as demonstrating, selling or promotional advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 317.1.)

916. Demonstrating and Selling Expenses

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

B. Wherever allocations are used to arrive at the amount to be included in this account and Account 910, Customer Assistance Expenses, the method and basis of allocation shall be reflected by underlying records.

ITEMS

Labor:

1. Demonstrating uses of utility services.
2. Conducting cooking schools, preparing recipes, and related home service activities.
3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.
4. Experimental and developmental work in connection with new and improved appliances and equipment, prior to general public acceptance.
5. Solicitation of new customers or additional business from old customers, including commissions paid employees.
6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.
7. Special customer canvasses when their primary purposes is the retention of business or the promotion of new business.

Materials and Expenses:

8. Cooperative promotions with appliance dealers, builders, and plumbing contractors designed to promote or retain the use of utility service.
9. Inducements offered directly to customers and incentive awards given to employees in connection with promoting or retaining the use of utility services.
10. Supplies and expenses pertaining to demonstration and experimental and developmental activities.
11. Booth and temporary space rental.
12. Loss in value on equipment and appliances used for demonstration purposes.
13. Transportation, meals and incidental expenses.

Note: A separate subdivision of this account shall be maintained to record the cost of programs designed primarily to induce industry to locate within the company's service territory.

917. Promotional Advertising Expenses

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

B. Entries relating to promotional advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available.

C. Where promotional advertising is undertaken by an association on behalf of its members, or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is a New York gas utility and included in this account shall be determined in accordance with the text of this account as set forth.

ITEMS

Labor:

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

Materials and Expenses:

7. Promotional advertising in newspapers, periodicals, billboards, radios, etc.
8. Promotional advertising matters such as posters, bulletins, booklets, and related items.
9. Fees and expenses of advertising agencies and commercial artists related to promotional advertising.
10. Novelties for general distribution.
11. Postage on direct mail promotional advertising.
12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.
13. Printing of promotional booklets, dodgers, bulletins, etc.
14. Supplies and expenses in preparing promotional advertising materials.
15. Office supplies and expenses.

Note A: The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invites the reader to purchase appliances from his dealer, or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to account 416, Costs and Expenses of Merchandizing, Jobbing and Contract Work.

Note B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purposes of increasing the use of utility service and the sales of appliances shall be considered as a combination advertisement and the costs shall be distributed between this account and account 416, Costs and Expenses of Merchandizing, Jobbing and Contract Work on the basis of space, time or other promotional factors.

Note C: A separate subdivision of this account shall be maintained to record the cost of advertising designed primarily to induce industry to locate within the company's service territory.

918. Miscellaneous Sales Promotion Expenses

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

ITEMS

Labor:

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

Materials and Expenses:

4. Communication service.
5. Printing, postage and office supplies and expenses applicable to sales promotion activities except those chargeable to account 917, Promotional Advertising Expenses.

919. Rents

This account shall include rents properly includible in operating expenses for property of others used by the sales promotions organizations for promotional, demonstrating and sales promotional activities, except merchandising. (See operating expenses instructions 317.3 and 317.5.)

Note: Rent expenses in connection with merchandising is includible in account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

8. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

920. Administrative and General Salaries

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921. Office Supplies and Expenses

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

ITEMS 1. Automobile service, including charges through clearing account.

2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.

7. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 930.2.)

8. Office supplies and expenses.

9. Payment of court costs, witness fees, and other expenses of legal department.

10. Postage, printing and stationery.

11. Meals, traveling and incidental expenses.

Note: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930.2, Miscellaneous General Expenses.

922. Administrative Expenses Transferred--Credit

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to nonutility accounts. (See gas plant instruction 313.4.)

923. Outside Services Employed

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

2. Supervision fees and expenses paid under contracts for general management services.

Note: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924. Property Insurance

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.

2. Amounts credited to account 261, Property Insurance Reserve, for similar protection.

3. Special costs incurred in procuring insurance.

4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

Note A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

Note B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

(1) Materials and supplies and stores equipment, to account 150.163, Stores Expense Undistributed or appropriate materials account.

(2) Transportation and other general equipment to appropriate clearing accounts that may be maintained.

(3) Gas plant leased to others, to account 413, Expenses of Gas Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 915, Costs and Expenses of Merchandising, Jobbing and Contract Work.

Note C: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in property insurance work, may be included in accounts 920 and 921, as appropriate.

925. Injuries and Damages

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

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

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve, for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.

3. Fees and expenses of claim investigators.

4. Payment of awards to claimants for court costs and attorneys' services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.

6. Compensation payments under workmen's compensation laws.

7. Compensation paid while incapacitated as the result of occupational injuries. (See note A.)

8. Cost of safety, accident prevention and similar educational activities.

Note A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits.

Note B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

Note C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

Note D: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in injuries and damages activities, may be included in accounts 920 and 921, as appropriate.

Note E: Losses or insurance premiums paid in connection with transportation and garage equipment shall be charged to the appropriate accounts for transportation expenses.

926. Employee Pensions and Benefits

This account shall include employee pensions, welfare expenses and the costs incurred in the administration of the pension and welfare department. The account shall be maintained according to subaccounts shown below:

926.1 Employee Pensions

A. This account shall include pensions payable currently to retired employees or their beneficiaries. (See general instruction 311.16.)

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

(1) Pension plan is definite and formally adopted.

(2) Amounts paid are irrevocably dedicated to pension purposes.

(3) A program of advance provision based on actuarial studies or on other recognized and acceptable systematic method of computation or allocation is undertaken.

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

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

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

Note B: Social security and unemployment benefit taxes shall be included in account 408, Taxes Other Than Income Taxes, or other appropriate accounts. (See account 408, paragraph D.)

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

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

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

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

926.2 Employee Welfare Expenses

A. This account shall include the expenses incurred in conducting employees' educational and recreational activities; the cost of employees relief and benefits (other than pensions, and injuries and damages chargeable to account 925, Injuries and Damages) and the cost of life insurance for employees when the utility is not the beneficiary.

B. This account shall not include any charges representing amounts used or to be used for the purchase of securities of the accounting company or any associated company, whether contributed by the accounting company or deducted from salaries and wages of employees, unless and until such amounts have actually been realized and paid to the em-

ployees 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 128, Other Special Funds; otherwise such amounts shall be charged to account 426, Miscellaneous Income Deductions. (See general instruction 311.7(b).)

Note A: When the utility is the beneficiary of insurance on officers or employees, the cash surrender value shall be included in account 174, Miscellaneous Current and Accrued Assets, and the excess of cost of insurance over such cash surrender value shall be charged to account 426, Miscellaneous Income Deductions.

Note B: See subaccount 926.1, note B.

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

926.3 Pension and Welfare Administration

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

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

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

927. 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, utility service furnished without charge under provisions of franchises. (See also account 302, Franchises and Consents.)

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges--Credit.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

Note A: Franchise taxes shall not be charged to this account but to account 408.1, Taxes Other Than Income Taxes, Utility Operating Income.

Note B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

928. Regulatory Commission Expenses

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before 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 utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the commission are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

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

ITEMS

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

2. Office supplies and expenses, 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 amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Expense, or account 214, Capital Stock Expense. Expenses incident to securing certificates of convenience and necessity from regulatory bodies shall be charged to account 302, Franchises and Consents. Costs and expenses incident to securing authorization for issuance of long term debt or capital stock shall be charged to account 181, Unamortized Debt Expense or account 214, Capital Stock Expense, as appropriate.

Note C: Do not include in this account costs incident to the acquisition of franchises, consents or certificates, or to construction or acquisition of gas property, which are chargeable to the gas plant accounts. Costs incurred in connection with property purchases shall be accounted for as provided in gas plant instruction section 313.5. (See also accounts 183.1 and 183.2.)

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

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

929. Duplicate Charges--Credit

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930.1 Institutional or Goodwill Advertising Expenses

A. This account shall include the cost of labor, materials used and expenses incurred in advertising and related activities which by their content or presentation clearly indicate that they serve only to improve the image of the utility itself or the area or the community it serves.

B. Entries relating to institutional or goodwill advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available.

C. Where institutional or goodwill advertising is undertaken by an association on behalf of its members, or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary which is a New York gas utility and included in this account, shall be determined in accordance with the text of this account as set forth herein.

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Labor:

1. Supervision of institutional or goodwill advertising activities.

2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio and television programs.

3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

Materials and Expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc.
8. Advertising matter such as posters, bulletins, booklets and related items.
9. Fees and expenses of advertising agencies and commercial artists.
10. Postage on direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.
14. Novelties for general distribution. Below are examples of the advertising includible in this account:
15. Pronouncements primarily lauding the utility or the area or community it serves.
16. Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation or environmental programs.
17. Advertising activities to inform the public of the utility's participation in programs to improve the economic conditions of the area or the community it serves.
18. Advertising activities to inform the public of the utility's role of good citizenship in the area or the community it serves.
19. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public which is not includible in Account 911, Informational Advertising Expenses.

930.2 Miscellaneous General Expenses

A. This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

B. This account shall be maintained or supported in such manner, as to readily disclose the principal types of items included herein, as corporate and fiscal expenses, association dues, contributions, etc.

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Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

2. Industry association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. Research and development expenses not charged to other operation and maintenance expense accounts on a functional basis.
5. Communication service not chargeable to other accounts.
6. Current trustee, registrar, and transfer agent fees and expenses. (See Note below.)
7. Stockholders meeting expenses.
8. Dividend and other financial notices.

9. Printing and mailing dividend checks.

10. Directors' fees and expenses.

11. Publishing and distributing annual reports to stockholders.

12. Public notices of financial, operating and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

Note: Fees and expenses incurred in connection with original or additional issues of stocks or bonds shall be charged to account 214, Capital Stock Expense, or to account 181, Unamortized Debt Discount and Expense, as appropriate.

931.1 General Rents

This account shall include rent properly includible in gas operating expenses covering the property of others used, occupied or operated in connection with the administrative and general functions of the utility; and also amounts payable for depreciation, taxes, interest or return, under joint facility agreements. (See operating expense instructions 317.3 and 317.5 and account 931.2.)

931.2 Expenses of Data Processing Equipment

This account shall include expenses properly includible in gas operating expenses charged direct or through clearing accounts for costs covering the use of electronic data processing equipment and other mechanical equipment, whether owned or rented from others, in connection with the administrative and general functions of the utility. (See operating expense instructions 317.3 and 317.5 and account 931.1.)

MAINTENANCE

932. Maintenance of General Plant

A. This account shall include the cost of maintenance of general plant. (See operating expense instruction 317.2.)

B. This account shall be subdivided as indicated below:

932.1 Maintenance of Structures

This account shall include the cost of maintenance of general buildings, the book cost of which is included in account 390, Structures and Improvements.

932.2 Maintenance of Office Furniture and Equipment

This account shall include the cost of maintenance of office furniture and equipment, the book cost of which is included in account 391, Office Furniture and Equipment.

932.3 Maintenance of Communication Equipment

This account shall include the cost of maintenance of communication equipment for general use in connection with the utility's operations, the book cost of which is included in account 397, Communication Equipment.

932.4 Maintenance of Miscellaneous Equipment

This account shall include the cost of maintenance of miscellaneous property not provided for elsewhere including miscellaneous general equipment, the book cost of which is included in account 398, Miscellaneous Equipment.

Note: Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense account indicated by the use of the equipment.

JOINT EXPENSES

933.1 Joint Expenses--Debit

A. This account shall include amounts for the cost of operation and maintenance payable by the gas department to others or to a coordinate department for joint facilities used, occupied or operated in connection with administrative and general functions of the utility. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the debits to this account, including the following:

- (1) Charges from others
- (2) Charges from coordinate departments

933.2 Joint Expenses--Credit

A. This account shall include such portion of the cost of operating and maintaining joint facilities operated by the gas department in connection with its administrative and general functions as is chargeable to others, or to a coordinate department. (See operating expense instruction 317.5.)

B. The records supporting the entries to this account shall be so kept that the utility can furnish a complete explanation of the credits to this account, including the following:

- (1) Charges to others
- (2) Charges to coordinate departments

§ 320.0 Order authorizing uniform system of accounts for gas corporations in classes C and D

(a) The uniform system of accounts for gas corporations (classes C and D) is hereby prescribed for every gas corporation (as that term is defined in the Public Service Law) which has annual operating revenues from gas operations in excess of \$ 25,000 but not exceeding \$ 1,000,000, and for 27,731 every lessor and inchoate and dormant gas corporation subject to the jurisdiction of this commission, and that every such gas corporation be required and hereby is required, on and after January 1, 1969, to keep its records and accounts in conformity therewith.

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

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

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

(e) In prescribing this system of accounts, the commission does not commit itself to the approval or acceptance of any item set out in any account, for the purpose of fixing rates or in determining other matters before the commission.

§ 320.1 Definitions

(a) When used in this system of accounts:

- (1) Accounts means the accounts prescribed in this system of accounts.
- (2) Associated companies means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.
- (3) Control (including the terms controlling, controlled by, and under common control with) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, wheth-

er such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

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

(5) Company. (See paragraph (10), *infra*.)

(6) Cost means the amount of money actually paid for property or services or the cash value at the time of the transaction of any consideration other than money. (See, however, gas plant instruction, Section 322.1.)

(7) Gas corporation. (See Public Service Law.)

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

(9) Original cost, as applied to gas plant, means the cost of such property to the person first devoting it to public service.

(10) Person means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

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